

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING					FORM 3 AMENDED REPORT <input checked="" type="checkbox"/>	
<b>APPLICATION FOR PERMIT TO DRILL</b>					<b>1. WELL NAME and NUMBER</b> BONANZA 1023-6F1CS	
<b>2. TYPE OF WORK</b> DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>					<b>3. FIELD OR WILDCAT</b> NATURAL BUTTES	
<b>4. TYPE OF WELL</b> Gas Well Coalbed Methane Well: NO					<b>5. UNIT or COMMUNITIZATION AGREEMENT NAME</b>	
<b>6. NAME OF OPERATOR</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.					<b>7. OPERATOR PHONE</b> 720 929-6007	
<b>8. ADDRESS OF OPERATOR</b> P.O. Box 173779, Denver, CO, 80217					<b>9. OPERATOR E-MAIL</b> Kathy.SchneebeckDulnoan@anadarko.com	
<b>10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)</b> UTU38419			<b>11. MINERAL OWNERSHIP</b> FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>		<b>12. SURFACE OWNERSHIP</b> FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
<b>13. NAME OF SURFACE OWNER (if box 12 = 'fee')</b>					<b>14. SURFACE OWNER PHONE (if box 12 = 'fee')</b>	
<b>15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')</b>					<b>16. SURFACE OWNER E-MAIL (if box 12 = 'fee')</b>	
<b>17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')</b>			<b>18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS</b> YES <input checked="" type="checkbox"/> (Submit Commingling Application) NO <input type="checkbox"/>		<b>19. SLANT</b> VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/>	
<b>20. LOCATION OF WELL</b>	<b>FOOTAGES</b>	<b>QTR-QTR</b>	<b>SECTION</b>	<b>TOWNSHIP</b>	<b>RANGE</b>	<b>MERIDIAN</b>
<b>LOCATION AT SURFACE</b>	1888 FNL 2039 FWL	SE	6	10.0 S	23.0 E	S
<b>Top of Uppermost Producing Zone</b>	1757 FNL 1947 FWL	SE	6	10.0 S	23.0 E	S
<b>At Total Depth</b>	1757 FNL 1947 FWL	SE	6	10.0 S	23.0 E	S
<b>21. COUNTY</b> UINTAH			<b>22. DISTANCE TO NEAREST LEASE LINE (Feet)</b> 1757		<b>23. NUMBER OF ACRES IN DRILLING UNIT</b> 516	
			<b>25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed)</b> 158		<b>26. PROPOSED DEPTH</b> MD: 8484 TVD: 8478	
<b>27. ELEVATION - GROUND LEVEL</b> 5123			<b>28. BOND NUMBER</b> WYB000291		<b>29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE</b> Permit #43-8496	
<b>ATTACHMENTS</b>						
<b>VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES</b>						
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER			<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN			
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)			<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER			
<input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)			<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP			
<b>NAME</b> Gina Becker		<b>TITLE</b> Regulatory Analyst II			<b>PHONE</b> 720 929-6086	
<b>SIGNATURE</b>		<b>DATE</b> 01/03/2011			<b>EMAIL</b> gina.becker@anadarko.com	
<b>API NUMBER ASSIGNED</b> 4304751455000		<b>APPROVAL</b>  Permit Manager				

<b>Proposed Hole, Casing, and Cement</b>						
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Prod	7.875	4.5	0	8484		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade I-80 Buttress	0	11.6			

<b>Proposed Hole, Casing, and Cement</b>						
<b>String</b>	<b>Hole Size</b>	<b>Casing Size</b>	<b>Top (MD)</b>	<b>Bottom (MD)</b>		
Surf	11	8.625	0	2050		
<b>Pipe</b>	<b>Grade</b>	<b>Length</b>	<b>Weight</b>			
	Grade J-55 LT&C	0	28.0			

## Kerr-McGee Oil & Gas Onshore. L.P.

### BONANZA 1023-6F1CS

Surface: 1888 FNL / 2039 FWL      SENW  
BHL: 1757 FNL / 1947 FWL      SENW

Section 6 T10S R23E

Unitah, Utah  
Mineral Lease: UTU-38419

### ONSHORE ORDER NO. 1

### DRILLING PROGRAM

- 1. & 2. **Estimated Tops of Important Geologic Markers:**  
**Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Formation</u>	<u>Depth</u>	<u>Resource</u>
Uinta	0 - Surface	
Green River	1170	
Birds Nest	1435	Water
Mahogany	1798	Water
Wasatch	4198	Gas
Mesaverde	6331	Gas
MVU2	7304	Gas
MVL1	7878	Gas
TVD	8478	
MD	8484	

- 3. **Pressure Control Equipment** (Schematic Attached)

*Please refer to the attached Drilling Program*

- 4. **Proposed Casing & Cementing Program:**

*Please refer to the attached Drilling Program*

- 5. **Drilling Fluids Program:**

*Please refer to the attached Drilling Program*

- 6. **Evaluation Program:**

*Please refer to the attached Drilling Program*

7. **Abnormal Conditions:**

Maximum anticipated bottom hole pressure calculated at 8,478' TVD, approximately equals 5,194 psi (calculated at 0.61 psi/foot).

Maximum anticipated surface pressure equals approximately 3,329 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

*Drilling is planned to commence immediately upon approval of this application.*

9. **Variances:**

*Please refer to the attached Drilling Program.*

*Onshore Order #2 – Air Drilling Variance*

*Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2*

- *Blowout Prevention Equipment (BOPE) requirements;*
- *Mud program requirements; and*
- *Special drilling operation (surface equipment placement) requirements associated with air drilling.*

*This Standard Operating Practices addendum provides supporting information as to why KMG current air drilling practices for constructing the surface casing hole should be granted a variance to Onshore Order 2 air drilling requirements.*

*The reader should note that the air rig is used only to construct a stable surface casing hole through a historically difficult lost circulation zone. A conventional rotary rig follows the air rig, and is used to drill and construct the majority of the wellbore.*

*More notable, KMG has used the air rig layout and procedures outlined below to drill the surface casing hole in approximately 675 wells without incident of blow out or loss of life.*

***Background***

*In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.*

*Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.*

*The air rig is then mobilized to drill the surface casing hole by drilling a 11 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 11 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 8-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.*

*KMG fully appreciates Onshore Order 2 well control and safety requirements associated with a typical air drilling operations. However, the requirements of Onshore Order 2 are excessive with respect to the air rig layout and drilling operation procedures that are currently in practice to drill and control the surface casing hole in KMG Fields.*

***Variance for BOPE Requirements***

*The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch blooie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.*

***Variance for Mud Material Requirements***

*Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rigs utilize water from the reserve pit for well control, if necessary. A skid pump which is located near the reserve pit (see attachment) will supply the water to the well bore.*

***Variance for Special Drilling Operation (surface equipment placement) Requirements***

*Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a KMG location. The typical air rig layout for drilling surface hole in the field is attached.*

*Typically the blooie line discharge point is required to be 100 feet from the well bore. In the case of a KMG well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The blooie line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.*

*Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see attachment) are located on the rig (1250 cfm) and*

on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

*Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.*

*Variance for FIT Requirements*

*KMG also respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). The air rig operation utilizes a 5M BOPE when drilling. This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.*

***Conclusion***

*The air rig operating procedures and the attached air rig layout have effectively maintained well control while drilling the surface holes in KMG Fields. KMG respectfully requests a variance from Onshore Order 2 with respect to air drilling well control requirements as discussed above.*

**10. Other Information:**

*Please refer to the attached Drilling Program.*





**KERR-McGEE OIL & GAS ONSHORE LP**  
**DRILLING PROGRAM**

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3,390	1,880	348,000
SURFACE	8-5/8"	0 to 2,050	28.00	IJ-55	LTC	0.99	1.96	6.00
PRODUCTION	4-1/2"	0 to 8,484	11.60	I-80	BTC	2.27	1.20	3.24

\*Burst on surface casing is controlled by fracture gradient as shoe with gas gradient above. D.F. = 2.62

1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (0.22 psi/ft-partial evac gradient x TD)  
 (Burst Assumptions: TD = 12.0 ppg) 0.22 psi/ft = gradient for partially evac wellbore  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)  
**MASP 3,329 psi**

3) Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD  
 (Burst Assumptions: TD = 12.0 ppg) 0.61 psi/ft = bottomhole gradient  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)  
**MABHP 5,194 psi**

**CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	180	60%	15.80	1.15
<b>Option 1</b>							
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt + 2% CaCl + 0.25 pps flocele	270	0%	15.80	1.15
SURFACE		<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>					
<b>Option 2</b>	LEAD	1,550'	65/35 Poz + 6% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOW	140	35%	11.00	3.82
	TAIL	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	150	35%	15.80	1.15
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80	1.15
PRODUCTION	LEAD	3,694'	Premium Lite II +0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	270	10%	11.00	3.38
	TAIL	4,790'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	920	10%	14.30	1.31

\*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

\*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

**FLOAT EQUIPMENT & CENTRALIZERS**

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe
PRODUCTION	Float shoe, 1 jt, float collar. No centralizers will be used.

**ADDITIONAL INFORMATION**

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

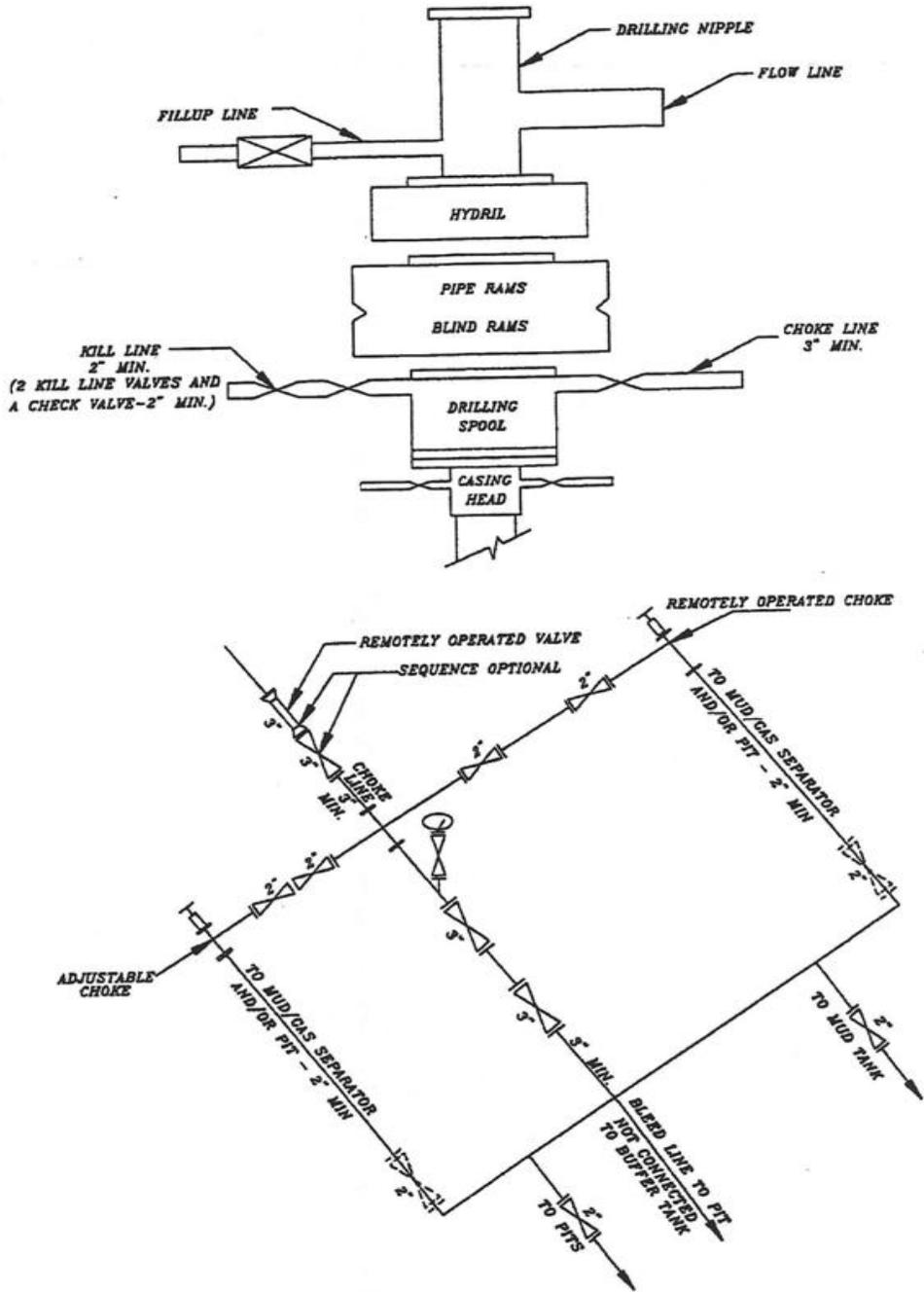
Surveys will be taken at 1,000' minimum intervals.

Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

**DRILLING ENGINEER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
 Emile Goodwin / Perry Daughtrey

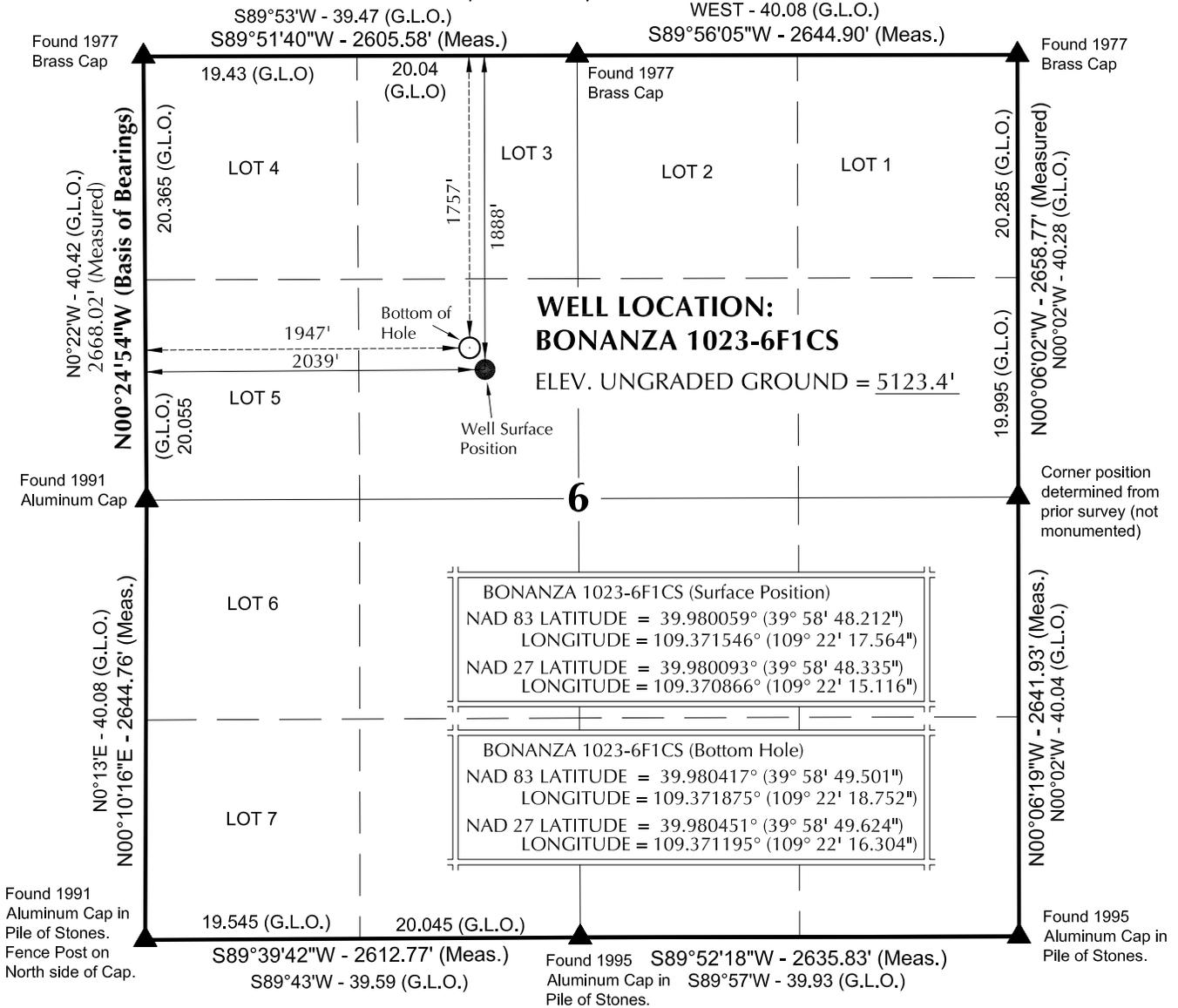
**DRILLING SUPERINTENDENT:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
 John Merkel / Lovel Young

### EXHIBIT A BONANZA 1023-6F1CS



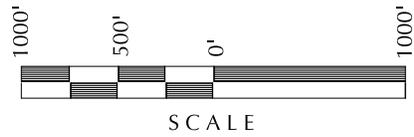
**SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK**

# T10S, R23E, S.L.B.&M.



**NOTES:**

- ▲ = Section Corners Located
- 1. Well footages are measured at right angles to the Section Lines.
- 2. G.L.O. distances are shown in feet or chains. 1 chain = 66 feet.
- 3. The Bottom of hole bears N35°23'25"W 159.92' from the Surface Position.
- 4. Bearings are based on Global Positioning Satellite observations.
- 5. Basis of elevation is Tri-Sta "Two Water" located in the NW ¼ of Section 1, T10S, R21E, S.L.B.&M. The elevation of this Tri-Sta is shown on the Big Pack Mtn NE 7.5 Min. Quadrangle as being 5238'.



**SURVEYOR'S CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*John R. Slough*  
 No. 6028691  
 JOHN R. SLOUGH  
 PROFESSIONAL LAND SURVEYOR  
 REGISTRATION NO. 6028691  
 STATE OF UTAH

**Kerr-McGee Oil & Gas Onshore, LP**  
1099 18th Street - Denver, Colorado 80202

**WELL PAD: BONANZA 1023-6F**

**BONANZA 1023-6F1CS**  
**WELL PLAT**  
 1757' FNL, 1947' FWL (Bottom Hole)  
 SE ¼ NW ¼ OF SECTION 6, T10S, R23E, S.L.B.&M., UTAH COUNTY, UTAH.

**609**

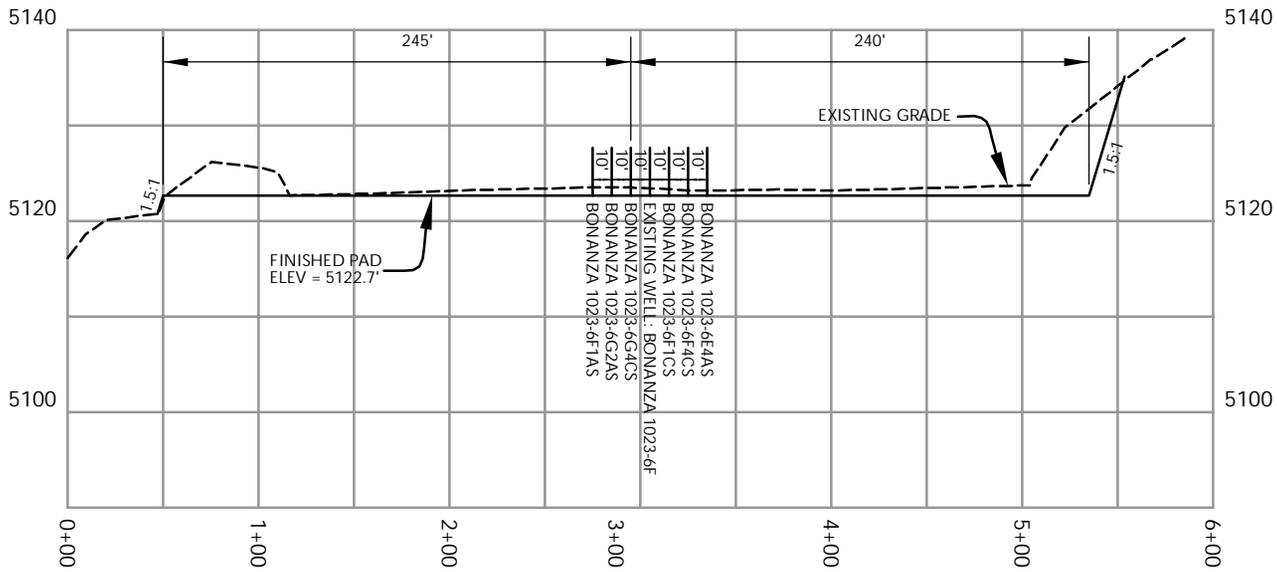
**CONSULTING, LLC**  
 371 Coffeen Avenue  
 Sheridan WY 82801  
 Phone 307-674-0609  
 Fax 307-674-0182

**TIMBERLINE** (435) 789-1365  
 ENGINEERING & LAND SURVEYING, INC.  
 209 NORTH 300 WEST - VERNAL, UTAH 84078

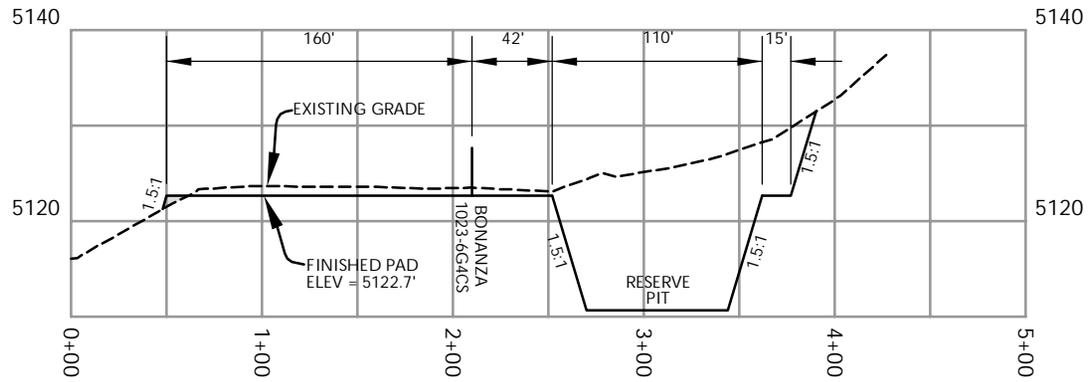
DATE SURVEYED: 03-04-10	SURVEYED BY: K.B.C.	SHEET NO: <b>3</b>
DATE DRAWN: 03-11-10	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'		3 OF 18







**CROSS SECTION A-A'**



**CROSS SECTION B-B'**

NOTE: CROSS SECTION B-B' DEPICTS  
MAXIMUM RESERVE PIT DEPTH.

**Kerr-McGee Oil & Gas Onshore, LP**  
1099 18th Street - Denver, Colorado 80202

WELL PAD - BONANZA 1023-6F

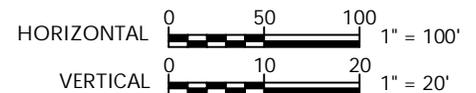
WELL PAD - CROSS SECTIONS  
BONANZA 1023-6E4AS, BONANZA 1023-6F4CS,  
BONANZA 1023-6F1CS, BONANZA 1023-6G4CS,  
BONANZA 1023-6G2AS & BONANZA 1023-6F1AS  
LOCATED IN SECTION 6, T10S, R23E,  
S.L.B.&M., Uintah County, Utah



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209 NORTH 300 WEST - VERNAL, UTAH 84078

(435) 789-1365



Scale: 1"=100'

Date: 4/7/10

SHEET NO:

REVISED:

RAW  
8/6/10

**9**

9 OF 18

'APIWELLIN0:43047514550000'  
 C:\NAVA\BONANZA\1023-6F\1023-6F1AS\1023-6F1AS.dwg, 8/6/2010 11:47:03 PM



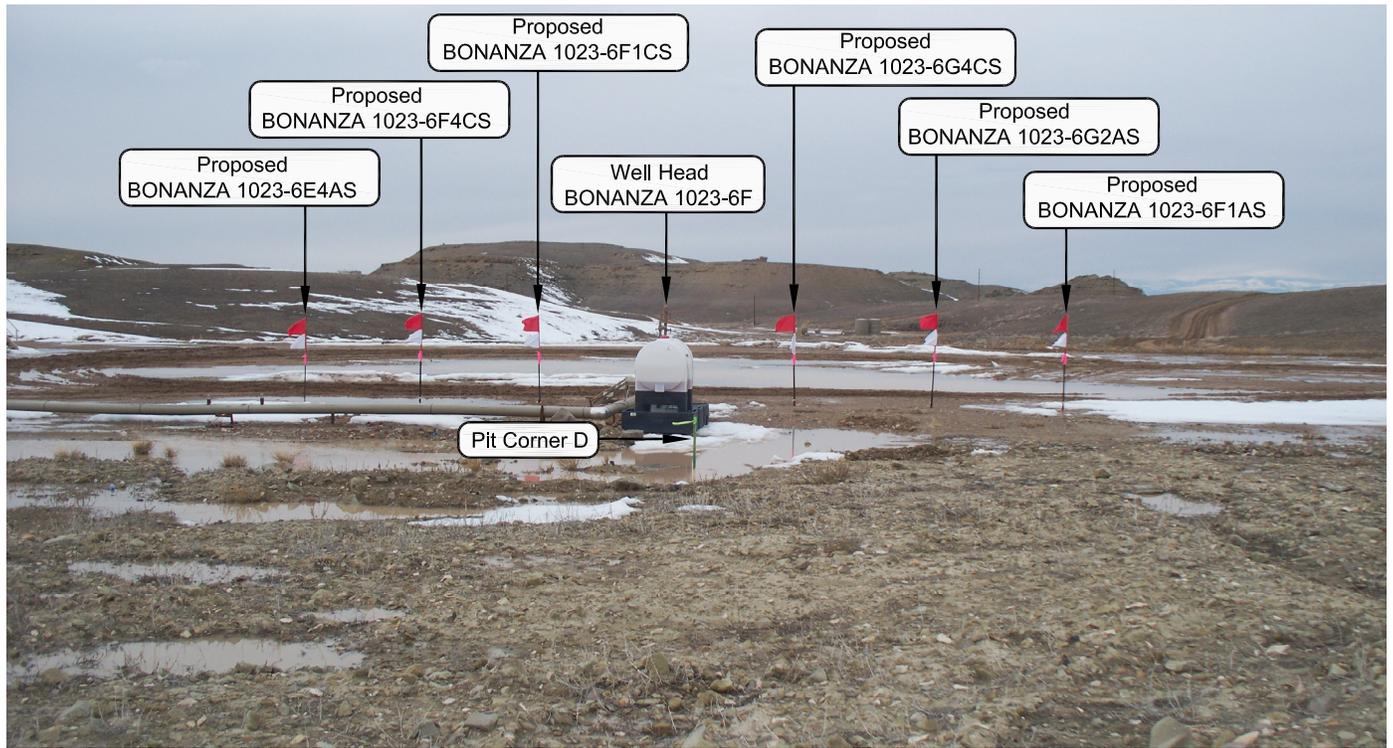


PHOTO VIEW: FROM PIT CORNER D TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO VIEW: FROM EXISTING ACCESS ROAD

CAMERA ANGLE: SOUTHERLY

**Kerr-McGee Oil & Gas Onshore, LP**  
 1099 18th Street - Denver, Colorado 80202

**WELL PAD - BONANZA 1023-6F**

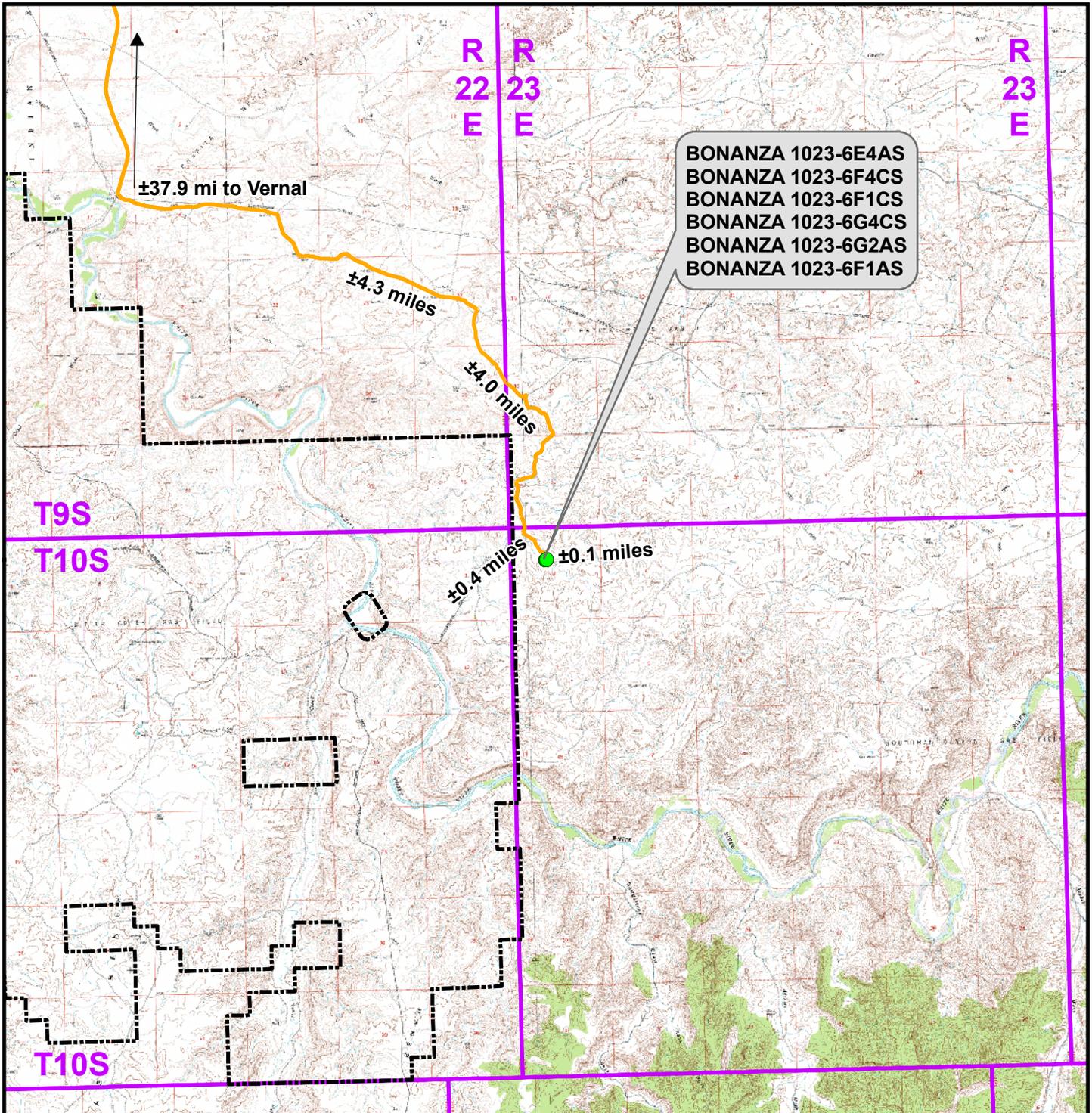
**LOCATION PHOTOS**  
 BONANZA 1023-6E4AS, BONANZA 1023-6F4CS,  
 BONANZA 1023-6F1CS, BONANZA 1023-6G4CS,  
 BONANZA 1023-6G2AS & BONANZA 1023-6F1AS  
 LOCATED IN SECTION 6, T10S, R23E,  
 S.L.B.&M., UINTAH COUNTY, UTAH.



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 209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE PHOTOS TAKEN: 03-04-10	PHOTOS TAKEN BY: K.B.C.	SHEET NO: <b>11</b>
DATE DRAWN: 03-11-10	DRAWN BY: M.W.W.	
Date Last Revised:		11 OF 18



BONANZA 1023-6E4AS  
 BONANZA 1023-6F4CS  
 BONANZA 1023-6F1CS  
 BONANZA 1023-6G4CS  
 BONANZA 1023-6G2AS  
 BONANZA 1023-6F1AS

**Legend**

- Proposed Well Location
- Natural Buttes Unit Boundary
- Access Route - Proposed

Distance From Well Pad - BONANZA 1023-6F To Unit Boundary: ±2,024ft

**Kerr-McGee Oil & Gas Onshore, LP**  
 1099 18th Street, Denver, Colorado 80202

**WELL PAD - BONANZA 1023-6F**

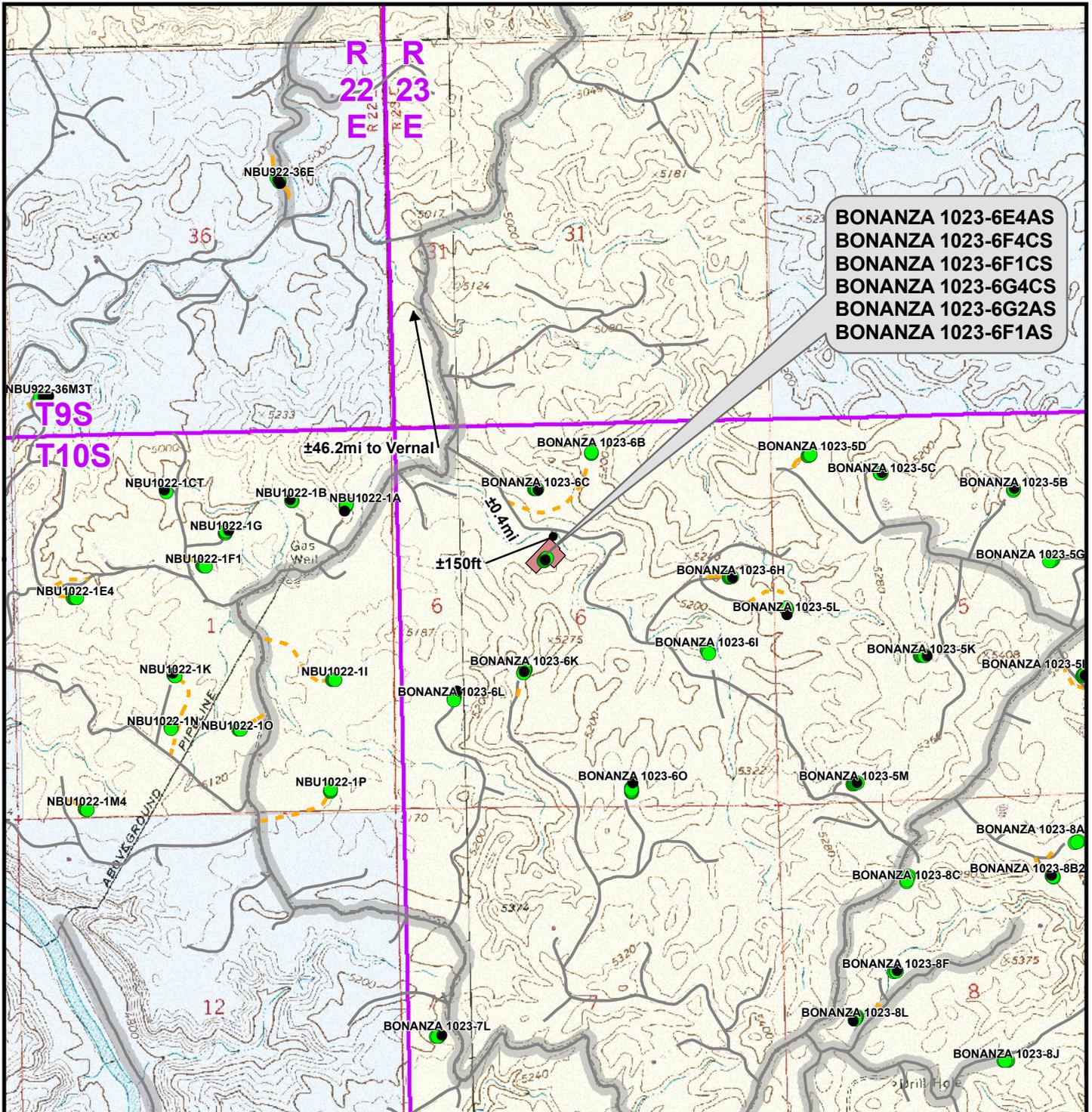
TOPO A  
 BONANZA 1023-6E4AS, BONANZA 1023-6F4CS,  
 BONANZA 1023-6F1CS, BONANZA 1023-6G4CS  
 BONANZA 1023-6G2AS & BONANZA 1023-6F1AS  
 LOCATED IN SECTION 6, T10S, R23E  
 S.L.B.&M., UINTAH COUNTY, UTAH



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Scale: 1:100,000	NAD83 USP Central	Sheet No:
Drawn: CPS	Date: 13 Apr 2010	<b>12</b>
Revised: JID	Date: 6 Aug 2010	



**BONANZA 1023-6E4AS  
 BONANZA 1023-6F4CS  
 BONANZA 1023-6F1CS  
 BONANZA 1023-6G4CS  
 BONANZA 1023-6G2AS  
 BONANZA 1023-6F1AS**

**Legend**

- Well - Proposed     Well Pad     Road - Proposed     County Road     Bureau of Land Management     State
- Well - Existing     Road - Existing     Indian Reservation     Private

Total Proposed Road Length: ±0ft

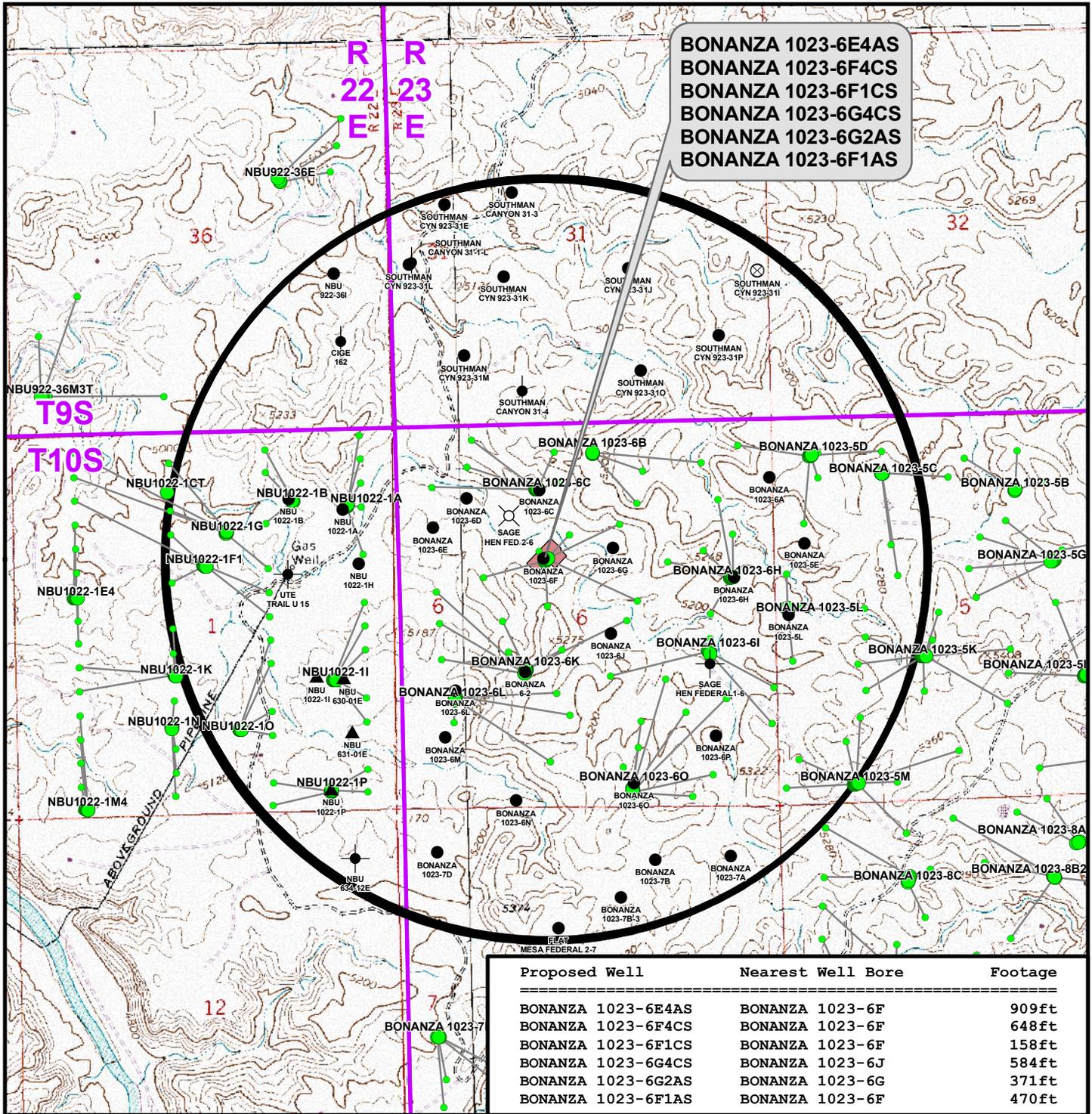
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**WELL PAD - BONANZA 1023-6F**

**TOPO B**  
 BONANZA 1023-6E4AS, BONANZA 1023-6F4CS,  
 BONANZA 1023-6F1CS, BONANZA 1023-6G4CS  
 BONANZA 1023-6G2AS & BONANZA 1023-6F1AS  
 LOCATED IN SECTION 6, T10S, R23E  
 S.L.B.&M., UTAH COUNTY, UTAH

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Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No: <b>13</b> 13 of 18
Drawn: CPS	Date: 13 Apr 2010	
Revised: JID	Date: 6 Aug 2010	



Proposed Well	Nearest Well Bore	Footage
BONANZA 1023-6E4AS	BONANZA 1023-6F	909ft
BONANZA 1023-6F4CS	BONANZA 1023-6F	648ft
BONANZA 1023-6F1CS	BONANZA 1023-6F	158ft
BONANZA 1023-6G4CS	BONANZA 1023-6J	584ft
BONANZA 1023-6G2AS	BONANZA 1023-6G	371ft
BONANZA 1023-6F1AS	BONANZA 1023-6F	470ft

**Legend**

- Well - Proposed
- Bottom Hole - Proposed
- Well Path
- Well Pad
- Well - 1 Mile Radius

Well locations derived from State of Utah, Dept. of Natural Resources, Division of Oil, Gas and Mining

- Producing
- Temporarily-Abandoned
- Shut-In
- Plugged and Abandoned
- Location Abandoned
- Dry hole marker, buried
- Returned APD (Unapproved)
- Active
- Spudded (Drilling commenced; Not yet completed)
- Approved permit (APD); not yet spudded
- New Permit (Not yet approved or drilled)
- Inactive
- Drilling Operations Suspended

**Kerr-McGee Oil & Gas Onshore, LP**  
1099 18th Street, Denver, Colorado 80202

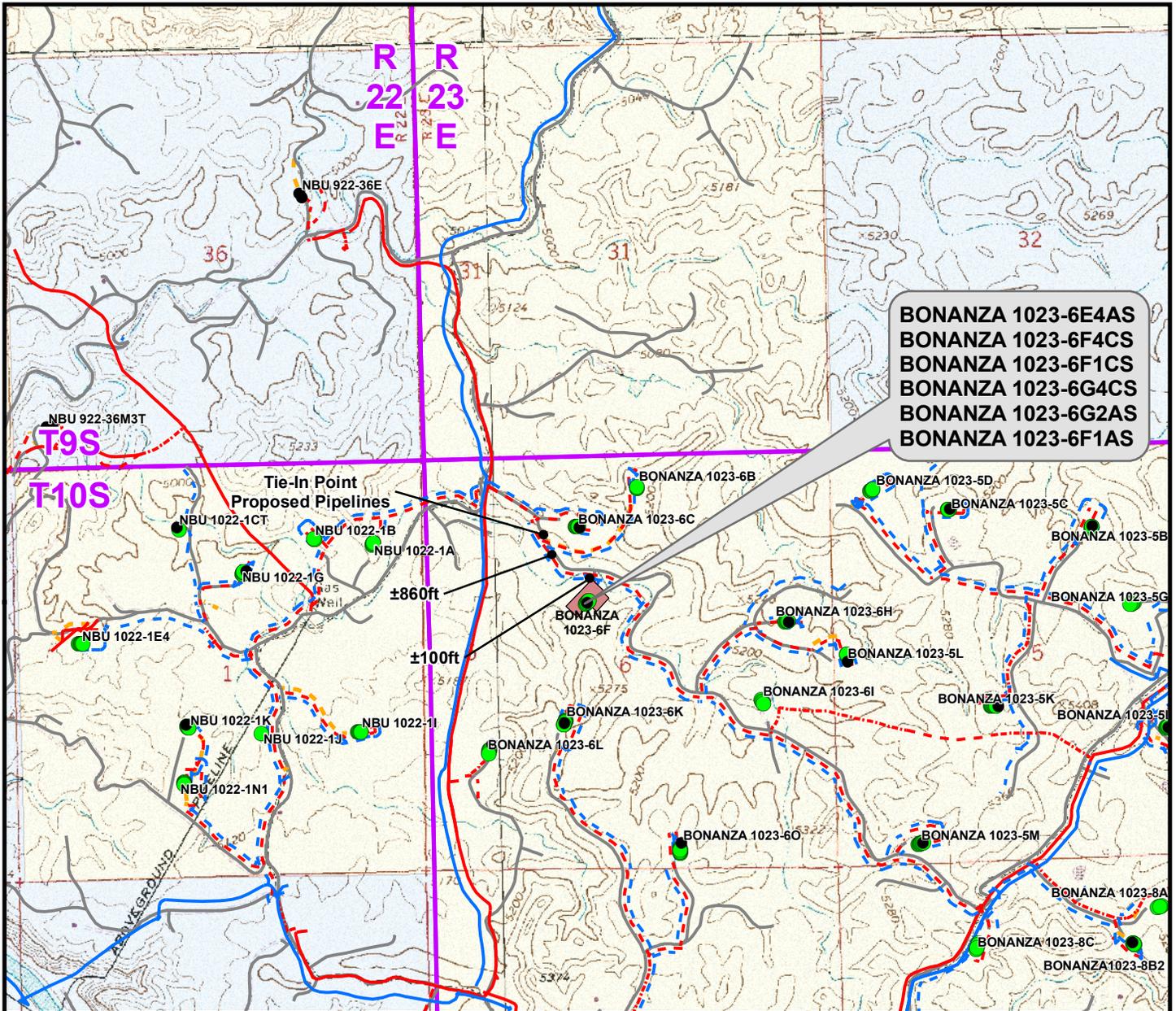
**WELL PAD - BONANZA 1023-6F**

**TOPO C**  
BONANZA 1023-6E4AS, BONANZA 1023-6F4CS,  
BONANZA 1023-6F1CS, BONANZA 1023-6G4CS  
BONANZA 1023-6G2AS & BONANZA 1023-6F1AS  
LOCATED IN SECTION 6, T10S, R23E  
S.L.B.&M., UINTAH COUNTY, UTAH

**609**  
CONSULTING, LLC  
371 Coffeen Avenue  
Sheridan, WY 82801  
Phone (307) 674-0609  
Fax (307) 674-0182



Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No:
Drawn: CPS	Date: 13 Apr 2010	14
Revised: JID	Date: 6 Aug 2010	



**BONANZA 1023-6E4AS  
 BONANZA 1023-6F4CS  
 BONANZA 1023-6F1CS  
 BONANZA 1023-6G4CS  
 BONANZA 1023-6G2AS  
 BONANZA 1023-6F1AS**

Proposed Liquid Pipeline	Length	Proposed Gas Pipeline	Length
Proposed 6" (First Meter House to Edge of Pad)	±670ft	Proposed 6" (First Meter House to Edge of Pad)	±670ft
Proposed 6" (Edge of Pad to 6B Intersection)	±960ft	Proposed 6" (Edge of Pad to Proposed 16" Pipeline)	±100ft
		Proposed 16" (Proposed 16" Pipeline to 6B Intersection)	±860ft
<b>TOTAL PROPOSED LIQUID PIPELINE =</b>	<b>± 1,630ft</b>	<b>TOTAL PROPOSED GAS PIPELINE =</b>	<b>±1,630ft</b>

**Legend**

- Well - Proposed
- - - Gas Pipeline - Proposed
- - - Liquid Pipeline - Proposed
- - - Road - Proposed
- Bureau of Land Management
- Well - Existing
- - - Gas Pipeline - To Be Upgraded
- - - Liquid Pipeline - To Be Upgraded
- - - Road - Existing
- Indian Reservation
- Well Pad
- - - Gas Pipeline - Existing
- - - Liquid Pipeline - Existing
- State
- Private

**Kerr-McGee Oil & Gas Onshore, LP**  
 1099 18th Street, Denver, Colorado 80202

**WELL PAD - BONANZA 1023-6F**

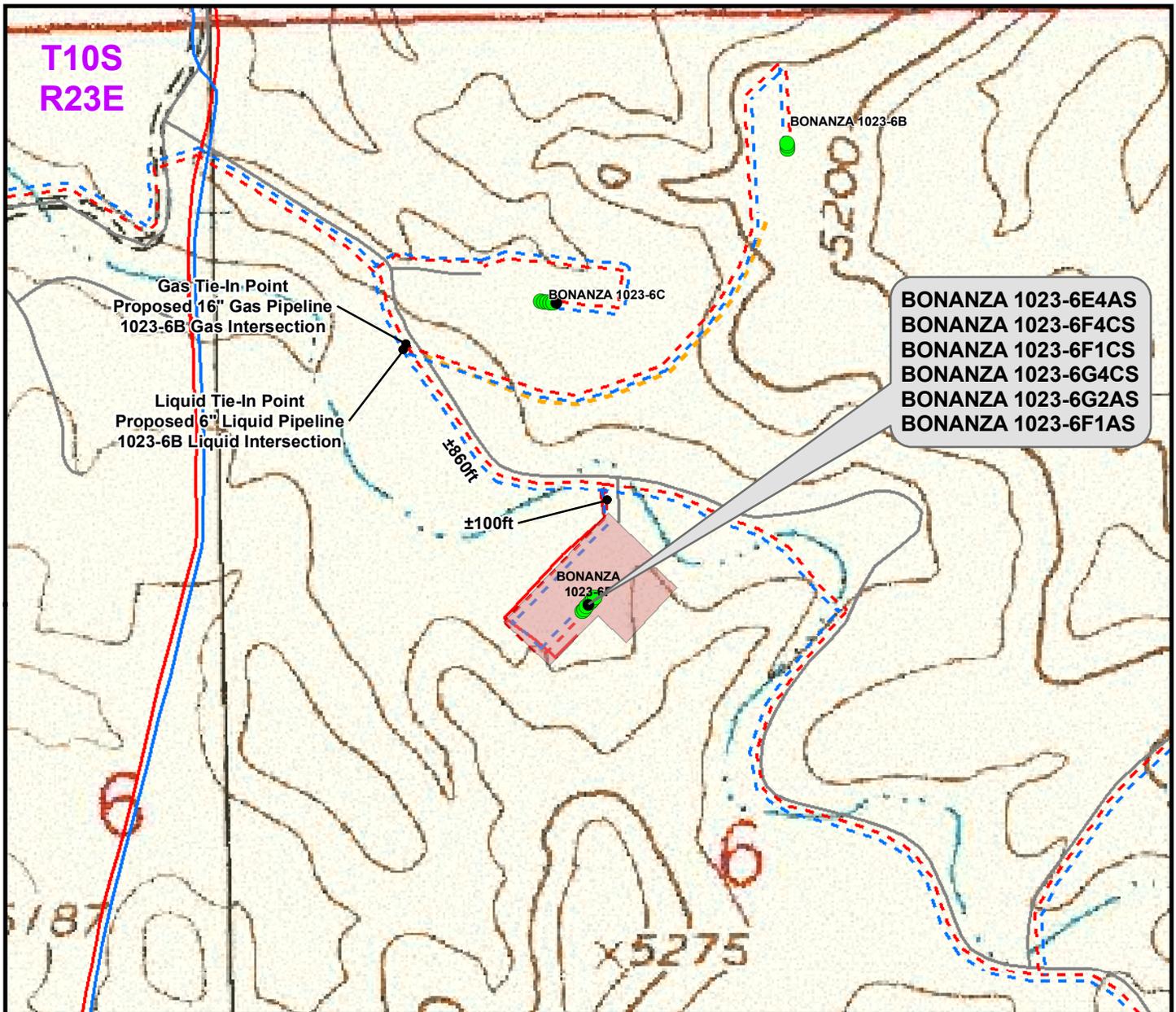
**TOPO D**  
 BONANZA 1023-6E4AS, BONANZA 1023-6F4CS,  
 BONANZA 1023-6F1CS, BONANZA 1023-6G4CS  
 BONANZA 1023-6G2AS & BONANZA 1023-6F1AS  
 LOCATED IN SECTION 6, T10S, R23E  
 S.L.B.&M., UTAH COUNTY, UTAH

**609**

**CONSULTING, LLC**  
 371 Coffeen Avenue  
 Sheridan, WY 82801  
 Phone (307) 674-0609  
 Fax (307) 674-0182



Scale: 1" = 2,000ft	NAD83 USP Central	Sheet No:
Drawn: CPS	Date: 13 Apr 2010	<b>15</b>
Revised: CPS	Date: 15 Oct 2010	



BONANZA 1023-6E4AS  
 BONANZA 1023-6F4CS  
 BONANZA 1023-6F1CS  
 BONANZA 1023-6G4CS  
 BONANZA 1023-6G2AS  
 BONANZA 1023-6F1AS

Proposed Liquid Pipeline	Length	Proposed Gas Pipeline	Length
Proposed 6" (First Meter House to Edge of Pad)	±670ft	Proposed 6" (First Meter House to Edge of Pad)	±670ft
Proposed 6" (Edge of Pad to 6B Intersection)	±960ft	Proposed 6" (Edge of Pad to Proposed 16" Pipeline)	±100ft
		Proposed 16" (Proposed 16" Pipeline to 6B Intersection)	±860ft
<b>TOTAL PROPOSED LIQUID PIPELINE =</b>	<b>± 1,630ft</b>	<b>TOTAL PROPOSED GAS PIPELINE =</b>	<b>±1,630ft</b>

**Legend**

- Well - Proposed
- - - Gas Pipeline - Proposed
- - - Liquid Pipeline - Proposed
- - - Road - Proposed
- Bureau of Land Management
- Well - Existing
- - - Gas Pipeline - To Be Upgraded
- - - Liquid Pipeline - To Be Upgraded
- - - Road - Existing
- Indian Reservation
- Well Pad
- - - Gas Pipeline - Existing
- - - Liquid Pipeline - Existing
- State
- Private

**Kerr-McGee Oil & Gas Onshore, LP**  
 1099 18th Street, Denver, Colorado 80202

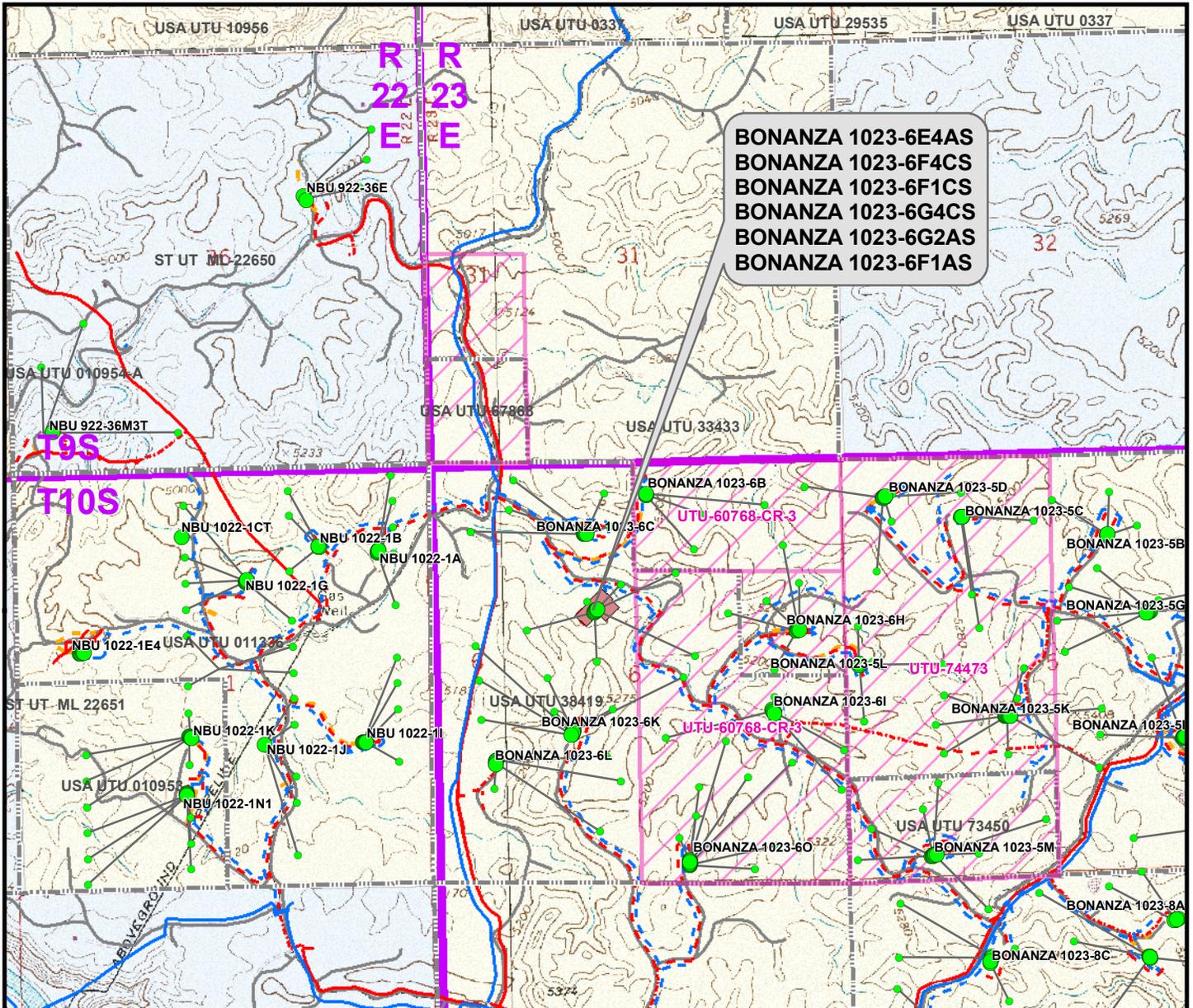
**WELL PAD - BONANZA 1023-6F**

TOPO D2 (PAD & PIPELINE DETAIL)  
 BONANZA 1023-6E4AS, BONANZA 1023-6F4CS,  
 BONANZA 1023-6F1CS, BONANZA 1023-6G4CS  
 BONANZA 1023-6G2AS & BONANZA 1023-6F1AS  
 LOCATED IN SECTION 6, T10S, R23E  
 S.L.B.&M., UINTAH COUNTY, UTAH

**609**  
 CONSULTING, LLC  
 371 Coffeen Avenue  
 Sheridan, WY 82801  
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 Fax (307) 674-0182



Scale: 1" = 500ft	NAD83 USP Central	Sheet No:
Drawn: CPS	Date: 13 Apr 2010	<b>16</b>
Revised: CPS	Date: 15 Oct 2010	



**BONANZA 1023-6E4AS  
 BONANZA 1023-6F4CS  
 BONANZA 1023-6F1CS  
 BONANZA 1023-6G4CS  
 BONANZA 1023-6G2AS  
 BONANZA 1023-6F1AS**

Proposed Well	Distance To Nearest CA Boundary	Proposed Well	Distance To Nearest Lease Boundary
BONANZA 1023-6E4AS	1,433ft	BONANZA 1023-6E4AS	1,164ft
BONANZA 1023-6F4CS	556ft	BONANZA 1023-6F4CS	1,309ft
BONANZA 1023-6F1CS	652ft	BONANZA 1023-6F1CS	772ft
BONANZA 1023-6G4CS	695ft	BONANZA 1023-6G4CS	624ft
BONANZA 1023-6G2AS	475ft	BONANZA 1023-6G2AS	73ft
BONANZA 1023-6F1AS	223ft	BONANZA 1023-6F1AS	301ft

**Legend**

- Well - Proposed (Green circle)
- Bottom Hole - Proposed (Green dot)
- Well Path (Black line)
- Well Pad (Brown rectangle)
- CA Agreement (Pink rectangle)
- Lease Boundary (Dashed line)
- Gas Pipeline - Proposed (Red dashed line)
- Gas Pipeline - To Be Upgraded (Red dotted line)
- Gas Pipeline - Existing (Red solid line)
- Liquid Pipeline - Proposed (Blue dashed line)
- Liquid Pipeline - To Be Upgraded (Blue dotted line)
- Liquid Pipeline - Existing (Blue solid line)
- Road - Proposed (Yellow dashed line)
- Road - Existing (Grey solid line)
- Bureau of Land Management (BLM) (Yellow rectangle)
- Indian Reservation (Red rectangle)
- State (Light blue rectangle)
- Private (White rectangle)

**Kerr-McGee Oil & Gas Onshore, LP**  
 1099 18th Street, Denver, Colorado 80202

**WELL PAD - BONANZA 1023-6F**

**TOPO E**  
 BONANZA 1023-6E4AS, BONANZA 1023-6F4CS,  
 BONANZA 1023-6F1CS, BONANZA 1023-6G4CS  
 BONANZA 1023-6G2AS & BONANZA 1023-6F1AS  
 LOCATED IN SECTION 6, T10S, R23E  
 S.L.B.&M., Uintah County, Utah

**609**  
 CONSULTING, LLC  
 371 Coffeen Avenue  
 Sheridan, WY 82801  
 Phone (307) 674-0609  
 Fax (307) 674-0182



Scale: 1" = 2000ft	NAD83 USP Central	Sheet No:
Drawn: CPS	Date: 13 Apr 2010	<b>17</b> 17 of 18
Revised: CPS	Date: 15 Oct 2010	

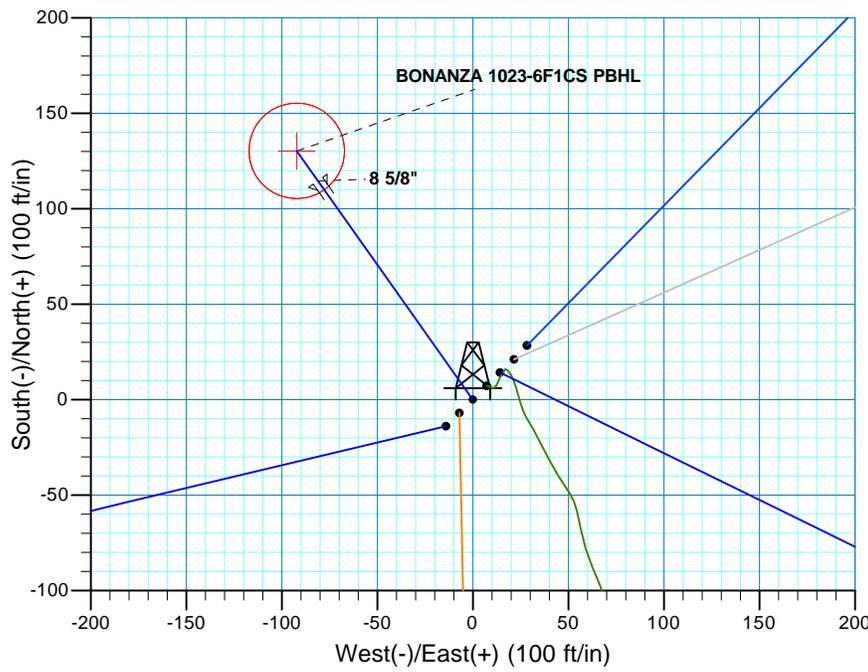
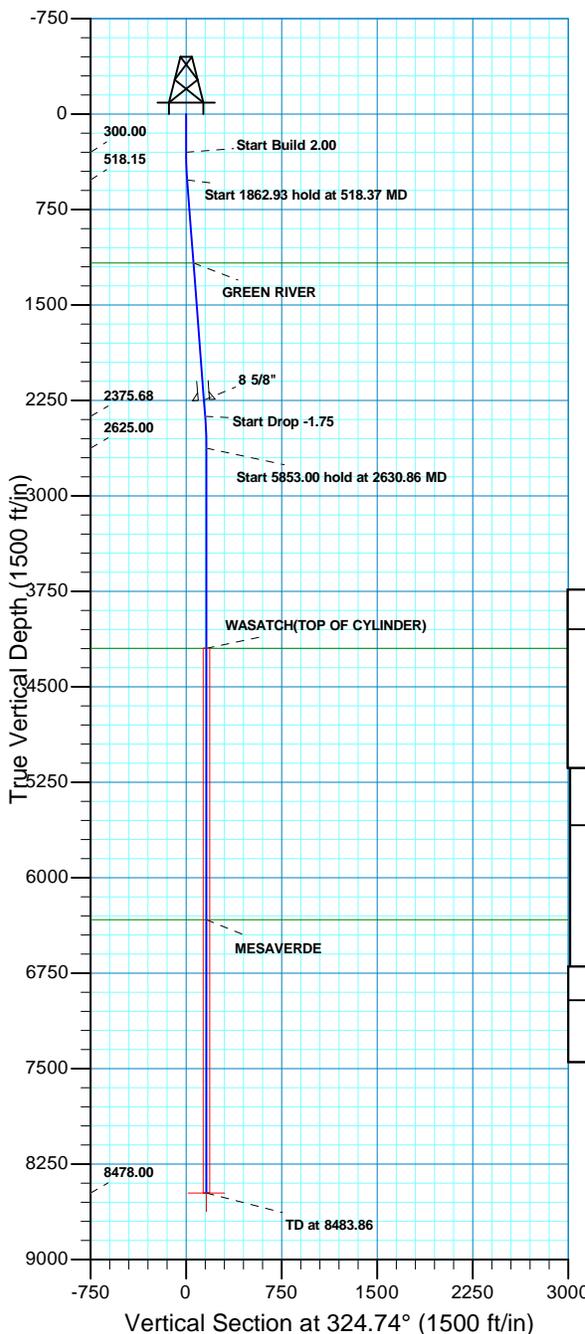
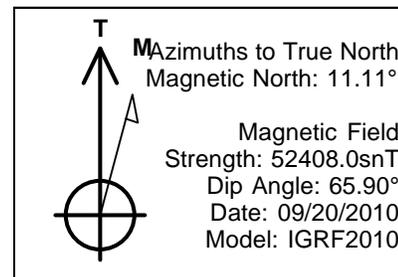
**Kerr-McGee Oil & Gas Onshore, LP  
WELL PAD – BONANZA 1023-6F  
WELLS – BONANZA 1023-6F1AS, BONANZA 1023-6G2AS,  
BONANZA 1023-6G4CS, BONANZA 1023-6F1CS,  
BONANZA 1023-6F4CS & BONANZA 1023-6E4AS  
Section 6, T10S, R23E, S.L.B.&M.**

From the intersection of U.S. Highway 40 and 500 East Street in Vernal, Utah proceed in an easterly then southerly direction along U.S. Highway 40 approximately 3.3 miles to the junction of State Highway 45; exit right and proceed in a southerly direction along State Highway 45 approximately 20.2 miles to the junction of the Glen Bench Road (County B Road 3260). Exit right and proceed in a southwesterly direction along the Glen Bench Road approximately 14.4 miles to the intersection of the Chipeta Wells Road (County B Road 3410) which road intersection is approximately 400 feet northeast of the Mountain Fuel Bridge, at the White River. Exit left and proceed in a southeasterly direction along the Chipeta Wells Road approximately 4.3 miles to the intersection of the Atchee Wash Road (County B Road 4240). Exit right and proceed in a southeasterly, then southerly direction along the Atchee Wash Road approximately 4.0 miles to a service road to the left. Exit left and proceed in a southeasterly direction along service road approximately 0.4 miles to a second service road to the right. Exit right and proceed in a southerly direction along the service road approximately 150 feet to the proposed well pad.

Total distance from Vernal, Utah to the proposed well location is approximately 46.6 miles in a southerly direction.

WELL DETAILS: BONANZA 1023-6F1CS					
GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)					
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	14522965.20	2096812.49	39° 58' 48.335 N	109° 22' 15.118 W

DESIGN TARGET DETAILS									
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape	
PBHL	8478.00	130.39	-92.19	14523093.89	2096717.93	39° 58' 49.624 N	109° 22' 16.302 W	Circle (Radius: 25.00)	
- plan hits target center									



SECTION DETAILS										
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00		
518.37	4.37	324.74	518.15	6.79	-4.80	2.00	324.74	8.32		
2381.30	4.37	324.74	2375.68	122.63	-86.70	0.00	0.00	150.18		
2630.86	0.00	0.00	2625.00	130.39	-92.19	1.75	180.00	159.69		
8483.86	0.00	0.00	8478.00	130.39	-92.19	0.00	0.00	159.69	BONANZA 1023-6F1CS PBHL	
PROJECT DETAILS: Uintah County, UT UTM12							FORMATION TOP DETAILS			
Geodetic System: Universal Transverse Mercator (US Survey Feet) Datum: NAD 1927 - Western US Ellipsoid: Clarke 1866 Zone: Zone 12N (114 W to 108 W) Location: SEC 6 T10S R23E System Datum: Mean Sea Level							TVDPath	MDPath	Formation	
							1170.00	1172.11	GREEN RIVER	
							4198.00	4203.86	WASATCH(TOP OF CYLINDER)	
	6331.00	6336.86	MESAVERDE							
CASING DETAILS										
	TVD	MD	Name	Size						
	2248.00	2253.25	8 5/8"	8.625						



**Scientific Drilling**  
Rocky Mountain Operations

# **Kerr McGee Oil and Gas Onshore LP**

**Uintah County, UT UTM12  
Bonanza 1023-6F Pad  
BONANZA 1023-6F1CS**

**OH**

**Plan: PLAN #1**

## **Standard Planning Report**

**20 September, 2010**



<b>Database:</b>	EDM5000-RobertS-Local	<b>Local Co-ordinate Reference:</b>	Well BONANZA 1023-6F1CS
<b>Company:</b>	Kerr McGee Oil and Gas Onshore LP	<b>TVD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Project:</b>	Uintah County, UT UTM12	<b>MD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Site:</b>	Bonanza 1023-6F Pad	<b>North Reference:</b>	True
<b>Well:</b>	BONANZA 1023-6F1CS	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	PLAN #1		

<b>Project</b>	Uintah County, UT UTM12		
<b>Map System:</b>	Universal Transverse Mercator (US Survey Feet)	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	NAD 1927 - Western US		
<b>Map Zone:</b>	Zone 12N (114 W to 108 W)		

<b>Site</b>	Bonanza 1023-6F Pad, SEC 6 T10S R23E				
<b>Site Position:</b>		<b>Northing:</b>	14,522,994.13 usft	<b>Latitude:</b>	39° 58' 48.616 N
<b>From:</b>	Lat/Long	<b>Easting:</b>	2,096,840.26 usft	<b>Longitude:</b>	109° 22' 14.754 W
<b>Position Uncertainty:</b>	0.00 ft	<b>Slot Radius:</b>	13.200 in	<b>Grid Convergence:</b>	1.05 °

<b>Well</b>	BONANZA 1023-6F1CS, 1888' FNL 2039' FWL					
<b>Well Position</b>	<b>+N/-S</b>	-28.41 ft	<b>Northing:</b>	14,522,965.21 usft	<b>Latitude:</b>	39° 58' 48.335 N
	<b>+E/-W</b>	-28.30 ft	<b>Easting:</b>	2,096,812.49 usft	<b>Longitude:</b>	109° 22' 15.118 W
<b>Position Uncertainty</b>		0.00 ft	<b>Wellhead Elevation:</b>		<b>Ground Level:</b>	5,123.00 ft

<b>Wellbore</b>	OH				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	IGRF2010	09/20/2010	11.11	65.90	52,408

<b>Design</b>	PLAN #1			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PLAN	<b>Tie On Depth:</b>	0.00
<b>Vertical Section:</b>	<b>Depth From (TVD) (ft)</b>	<b>+N/-S (ft)</b>	<b>+E/-W (ft)</b>	<b>Direction (°)</b>
	0.00	0.00	0.00	324.74

<b>Plan Sections</b>										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
518.37	4.37	324.74	518.15	6.79	-4.80	2.00	2.00	0.00	324.74	
2,381.30	4.37	324.74	2,375.68	122.63	-86.70	0.00	0.00	0.00	0.00	
2,630.86	0.00	0.00	2,625.00	130.39	-92.19	1.75	-1.75	0.00	180.00	
8,483.86	0.00	0.00	8,478.00	130.39	-92.19	0.00	0.00	0.00	0.00	BONANZA 1023-6F1C

<b>Database:</b>	EDM5000-RobertS-Local	<b>Local Co-ordinate Reference:</b>	Well BONANZA 1023-6F1CS
<b>Company:</b>	Kerr McGee Oil and Gas Onshore LP	<b>TVD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Project:</b>	Uintah County, UT UTM12	<b>MD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Site:</b>	Bonanza 1023-6F Pad	<b>North Reference:</b>	True
<b>Well:</b>	BONANZA 1023-6F1CS	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	PLAN #1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Start Build 2.00</b>										
400.00	2.00	324.74	399.98	1.42	-1.01	1.75	2.00	2.00	0.00	
500.00	4.00	324.74	499.84	5.70	-4.03	6.98	2.00	2.00	0.00	
518.37	4.37	324.74	518.15	6.79	-4.80	8.32	2.00	2.00	0.00	
<b>Start 1862.93 hold at 518.37 MD</b>										
600.00	4.37	324.74	599.55	11.87	-8.39	14.53	0.00	0.00	0.00	
700.00	4.37	324.74	699.26	18.09	-12.79	22.15	0.00	0.00	0.00	
800.00	4.37	324.74	798.97	24.30	-17.18	29.76	0.00	0.00	0.00	
900.00	4.37	324.74	898.68	30.52	-21.58	37.38	0.00	0.00	0.00	
1,000.00	4.37	324.74	998.39	36.74	-25.98	44.99	0.00	0.00	0.00	
1,100.00	4.37	324.74	1,098.10	42.96	-30.37	52.61	0.00	0.00	0.00	
1,172.11	4.37	324.74	1,170.00	47.44	-33.54	58.10	0.00	0.00	0.00	
<b>GREEN RIVER</b>										
1,200.00	4.37	324.74	1,197.81	49.18	-34.77	60.23	0.00	0.00	0.00	
1,300.00	4.37	324.74	1,297.52	55.39	-39.16	67.84	0.00	0.00	0.00	
1,400.00	4.37	324.74	1,397.23	61.61	-43.56	75.46	0.00	0.00	0.00	
1,500.00	4.37	324.74	1,496.94	67.83	-47.96	83.07	0.00	0.00	0.00	
1,600.00	4.37	324.74	1,596.65	74.05	-52.35	90.69	0.00	0.00	0.00	
1,700.00	4.37	324.74	1,696.36	80.27	-56.75	98.30	0.00	0.00	0.00	
1,800.00	4.37	324.74	1,796.07	86.48	-61.14	105.92	0.00	0.00	0.00	
1,900.00	4.37	324.74	1,895.78	92.70	-65.54	113.53	0.00	0.00	0.00	
2,000.00	4.37	324.74	1,995.49	98.92	-69.94	121.15	0.00	0.00	0.00	
2,100.00	4.37	324.74	2,095.20	105.14	-74.33	128.76	0.00	0.00	0.00	
2,200.00	4.37	324.74	2,194.91	111.36	-78.73	136.38	0.00	0.00	0.00	
2,253.25	4.37	324.74	2,248.00	114.67	-81.07	140.43	0.00	0.00	0.00	
<b>8 5/8"</b>										
2,300.00	4.37	324.74	2,294.62	117.57	-83.13	143.99	0.00	0.00	0.00	
2,381.30	4.37	324.74	2,375.68	122.63	-86.70	150.18	0.00	0.00	0.00	
<b>Start Drop -1.75</b>										
2,400.00	4.04	324.74	2,394.33	123.75	-87.49	151.55	1.75	-1.75	0.00	
2,500.00	2.29	324.74	2,494.17	128.26	-90.68	157.07	1.75	-1.75	0.00	
2,600.00	0.54	324.74	2,594.14	130.27	-92.10	159.54	1.75	-1.75	0.00	
2,630.86	0.00	0.00	2,625.00	130.39	-92.19	159.69	1.75	-1.75	0.00	
<b>Start 5853.00 hold at 2630.86 MD</b>										
2,700.00	0.00	0.00	2,694.14	130.39	-92.19	159.69	0.00	0.00	0.00	
2,800.00	0.00	0.00	2,794.14	130.39	-92.19	159.69	0.00	0.00	0.00	
2,900.00	0.00	0.00	2,894.14	130.39	-92.19	159.69	0.00	0.00	0.00	
3,000.00	0.00	0.00	2,994.14	130.39	-92.19	159.69	0.00	0.00	0.00	
3,100.00	0.00	0.00	3,094.14	130.39	-92.19	159.69	0.00	0.00	0.00	
3,200.00	0.00	0.00	3,194.14	130.39	-92.19	159.69	0.00	0.00	0.00	
3,300.00	0.00	0.00	3,294.14	130.39	-92.19	159.69	0.00	0.00	0.00	
3,400.00	0.00	0.00	3,394.14	130.39	-92.19	159.69	0.00	0.00	0.00	
3,500.00	0.00	0.00	3,494.14	130.39	-92.19	159.69	0.00	0.00	0.00	
3,600.00	0.00	0.00	3,594.14	130.39	-92.19	159.69	0.00	0.00	0.00	
3,700.00	0.00	0.00	3,694.14	130.39	-92.19	159.69	0.00	0.00	0.00	
3,800.00	0.00	0.00	3,794.14	130.39	-92.19	159.69	0.00	0.00	0.00	
3,900.00	0.00	0.00	3,894.14	130.39	-92.19	159.69	0.00	0.00	0.00	

<b>Database:</b>	EDM5000-RobertS-Local	<b>Local Co-ordinate Reference:</b>	Well BONANZA 1023-6F1CS
<b>Company:</b>	Kerr McGee Oil and Gas Onshore LP	<b>TVD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Project:</b>	Uintah County, UT UTM12	<b>MD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Site:</b>	Bonanza 1023-6F Pad	<b>North Reference:</b>	True
<b>Well:</b>	BONANZA 1023-6F1CS	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	PLAN #1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
4,000.00	0.00	0.00	3,994.14	130.39	-92.19	159.69	0.00	0.00	0.00	
4,100.00	0.00	0.00	4,094.14	130.39	-92.19	159.69	0.00	0.00	0.00	
4,200.00	0.00	0.00	4,194.14	130.39	-92.19	159.69	0.00	0.00	0.00	
4,203.86	0.00	0.00	4,198.00	130.39	-92.19	159.69	0.00	0.00	0.00	
<b>WASATCH(TOP OF CYLINDER)</b>										
4,300.00	0.00	0.00	4,294.14	130.39	-92.19	159.69	0.00	0.00	0.00	
4,400.00	0.00	0.00	4,394.14	130.39	-92.19	159.69	0.00	0.00	0.00	
4,500.00	0.00	0.00	4,494.14	130.39	-92.19	159.69	0.00	0.00	0.00	
4,600.00	0.00	0.00	4,594.14	130.39	-92.19	159.69	0.00	0.00	0.00	
4,700.00	0.00	0.00	4,694.14	130.39	-92.19	159.69	0.00	0.00	0.00	
4,800.00	0.00	0.00	4,794.14	130.39	-92.19	159.69	0.00	0.00	0.00	
4,900.00	0.00	0.00	4,894.14	130.39	-92.19	159.69	0.00	0.00	0.00	
5,000.00	0.00	0.00	4,994.14	130.39	-92.19	159.69	0.00	0.00	0.00	
5,100.00	0.00	0.00	5,094.14	130.39	-92.19	159.69	0.00	0.00	0.00	
5,200.00	0.00	0.00	5,194.14	130.39	-92.19	159.69	0.00	0.00	0.00	
5,300.00	0.00	0.00	5,294.14	130.39	-92.19	159.69	0.00	0.00	0.00	
5,400.00	0.00	0.00	5,394.14	130.39	-92.19	159.69	0.00	0.00	0.00	
5,500.00	0.00	0.00	5,494.14	130.39	-92.19	159.69	0.00	0.00	0.00	
5,600.00	0.00	0.00	5,594.14	130.39	-92.19	159.69	0.00	0.00	0.00	
5,700.00	0.00	0.00	5,694.14	130.39	-92.19	159.69	0.00	0.00	0.00	
5,800.00	0.00	0.00	5,794.14	130.39	-92.19	159.69	0.00	0.00	0.00	
5,900.00	0.00	0.00	5,894.14	130.39	-92.19	159.69	0.00	0.00	0.00	
6,000.00	0.00	0.00	5,994.14	130.39	-92.19	159.69	0.00	0.00	0.00	
6,100.00	0.00	0.00	6,094.14	130.39	-92.19	159.69	0.00	0.00	0.00	
6,200.00	0.00	0.00	6,194.14	130.39	-92.19	159.69	0.00	0.00	0.00	
6,300.00	0.00	0.00	6,294.14	130.39	-92.19	159.69	0.00	0.00	0.00	
6,336.86	0.00	0.00	6,331.00	130.39	-92.19	159.69	0.00	0.00	0.00	
<b>MESAVERDE</b>										
6,400.00	0.00	0.00	6,394.14	130.39	-92.19	159.69	0.00	0.00	0.00	
6,500.00	0.00	0.00	6,494.14	130.39	-92.19	159.69	0.00	0.00	0.00	
6,600.00	0.00	0.00	6,594.14	130.39	-92.19	159.69	0.00	0.00	0.00	
6,700.00	0.00	0.00	6,694.14	130.39	-92.19	159.69	0.00	0.00	0.00	
6,800.00	0.00	0.00	6,794.14	130.39	-92.19	159.69	0.00	0.00	0.00	
6,900.00	0.00	0.00	6,894.14	130.39	-92.19	159.69	0.00	0.00	0.00	
7,000.00	0.00	0.00	6,994.14	130.39	-92.19	159.69	0.00	0.00	0.00	
7,100.00	0.00	0.00	7,094.14	130.39	-92.19	159.69	0.00	0.00	0.00	
7,200.00	0.00	0.00	7,194.14	130.39	-92.19	159.69	0.00	0.00	0.00	
7,300.00	0.00	0.00	7,294.14	130.39	-92.19	159.69	0.00	0.00	0.00	
7,400.00	0.00	0.00	7,394.14	130.39	-92.19	159.69	0.00	0.00	0.00	
7,500.00	0.00	0.00	7,494.14	130.39	-92.19	159.69	0.00	0.00	0.00	
7,600.00	0.00	0.00	7,594.14	130.39	-92.19	159.69	0.00	0.00	0.00	
7,700.00	0.00	0.00	7,694.14	130.39	-92.19	159.69	0.00	0.00	0.00	
7,800.00	0.00	0.00	7,794.14	130.39	-92.19	159.69	0.00	0.00	0.00	
7,900.00	0.00	0.00	7,894.14	130.39	-92.19	159.69	0.00	0.00	0.00	
8,000.00	0.00	0.00	7,994.14	130.39	-92.19	159.69	0.00	0.00	0.00	
8,100.00	0.00	0.00	8,094.14	130.39	-92.19	159.69	0.00	0.00	0.00	
8,200.00	0.00	0.00	8,194.14	130.39	-92.19	159.69	0.00	0.00	0.00	
8,300.00	0.00	0.00	8,294.14	130.39	-92.19	159.69	0.00	0.00	0.00	
8,400.00	0.00	0.00	8,394.14	130.39	-92.19	159.69	0.00	0.00	0.00	
8,483.86	0.00	0.00	8,478.00	130.39	-92.19	159.69	0.00	0.00	0.00	
<b>BONANZA 1023-6F1CS PBHL</b>										

<b>Database:</b>	EDM5000-RobertS-Local	<b>Local Co-ordinate Reference:</b>	Well BONANZA 1023-6F1CS
<b>Company:</b>	Kerr McGee Oil and Gas Onshore LP	<b>TVD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Project:</b>	Uintah County, UT UTM12	<b>MD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Site:</b>	Bonanza 1023-6F Pad	<b>North Reference:</b>	True
<b>Well:</b>	BONANZA 1023-6F1CS	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	PLAN #1		

Design Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(ft)	(ft)	(ft)	(usft)	(usft)		
- Shape									
BONANZA 1023-6F1CS - plan hits target center - Circle (radius 25.00)	0.00	0.00	8,478.00	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W

Casing Points					
Measured Depth	Vertical Depth	Name	Casing Diameter	Hole Diameter	
(ft)	(ft)		(in)	(in)	
2,253.25	2,248.00	8 5/8"	8.625	11.000	

Formations					
Measured Depth	Vertical Depth	Name	Lithology	Dip	Dip Direction
(ft)	(ft)			(°)	(°)
1,172.11	1,170.00	GREEN RIVER			
4,203.86	4,198.00	WASATCH(TOP OF CYLINDER)			
6,336.86	6,331.00	MESAVERDE			

Plan Annotations					
Measured Depth	Vertical Depth	Local Coordinates		Comment	
(ft)	(ft)	+N/-S	+E/-W		
		(ft)	(ft)		
300.00	300.00	0.00	0.00	Start Build 2.00	
518.37	518.15	6.79	-4.80	Start 1862.93 hold at 518.37 MD	
2,381.30	2,375.68	122.63	-86.70	Start Drop -1.75	
2,630.86	2,625.00	130.39	-92.19	Start 5853.00 hold at 2630.86 MD	
8,483.86	8,478.00	130.39	-92.19	TD at 8483.86	



**Scientific Drilling**  
Rocky Mountain Operations

# **Kerr McGee Oil and Gas Onshore LP**

**Uintah County, UT UTM12**

**Bonanza 1023-6F Pad**

**BONANZA 1023-6F1CS**

**OH**

**Plan: PLAN #1**

## **Standard Planning Report - Geographic**

**20 September, 2010**



<b>Database:</b>	EDM5000-RobertS-Local	<b>Local Co-ordinate Reference:</b>	Well BONANZA 1023-6F1CS
<b>Company:</b>	Kerr McGee Oil and Gas Onshore LP	<b>TVD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Project:</b>	Uintah County, UT UTM12	<b>MD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Site:</b>	Bonanza 1023-6F Pad	<b>North Reference:</b>	True
<b>Well:</b>	BONANZA 1023-6F1CS	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	PLAN #1		

<b>Project</b>	Uintah County, UT UTM12		
<b>Map System:</b>	Universal Transverse Mercator (US Survey Feet)	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	NAD 1927 - Western US		
<b>Map Zone:</b>	Zone 12N (114 W to 108 W)		

<b>Site</b>	Bonanza 1023-6F Pad, SEC 6 T10S R23E				
<b>Site Position:</b>		<b>Northing:</b>	14,522,994.13 usft	<b>Latitude:</b>	39° 58' 48.616 N
<b>From:</b>	Lat/Long	<b>Easting:</b>	2,096,840.26 usft	<b>Longitude:</b>	109° 22' 14.754 W
<b>Position Uncertainty:</b>	0.00 ft	<b>Slot Radius:</b>	13.200 in	<b>Grid Convergence:</b>	1.05 °

<b>Well</b>	BONANZA 1023-6F1CS, 1888' FNL 2039' FWL					
<b>Well Position</b>	<b>+N/-S</b>	0.00 ft	<b>Northing:</b>	14,522,965.21 usft	<b>Latitude:</b>	39° 58' 48.335 N
	<b>+E/-W</b>	0.00 ft	<b>Easting:</b>	2,096,812.49 usft	<b>Longitude:</b>	109° 22' 15.118 W
<b>Position Uncertainty</b>	0.00 ft		<b>Wellhead Elevation:</b>		<b>Ground Level:</b>	5,123.00 ft

<b>Wellbore</b>	OH				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	IGRF2010	09/20/2010	11.11	65.90	52,408

<b>Design</b>	PLAN #1				
<b>Audit Notes:</b>					
<b>Version:</b>	<b>Phase:</b>	PLAN	<b>Tie On Depth:</b>	0.00	
<b>Vertical Section:</b>	<b>Depth From (TVD) (ft)</b>	<b>+N/-S (ft)</b>	<b>+E/-W (ft)</b>	<b>Direction (°)</b>	
	0.00	0.00	0.00	324.74	

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
518.37	4.37	324.74	518.15	6.79	-4.80	2.00	2.00	0.00	324.74	
2,381.30	4.37	324.74	2,375.68	122.63	-86.70	0.00	0.00	0.00	0.00	
2,630.86	0.00	0.00	2,625.00	130.39	-92.19	1.75	-1.75	0.00	180.00	
8,483.86	0.00	0.00	8,478.00	130.39	-92.19	0.00	0.00	0.00	0.00	BONANZA 1023-6F1C

<b>Database:</b>	EDM5000-RobertS-Local	<b>Local Co-ordinate Reference:</b>	Well BONANZA 1023-6F1CS
<b>Company:</b>	Kerr McGee Oil and Gas Onshore LP	<b>TVD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Project:</b>	Uintah County, UT UTM12	<b>MD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Site:</b>	Bonanza 1023-6F Pad	<b>North Reference:</b>	True
<b>Well:</b>	BONANZA 1023-6F1CS	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	PLAN #1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude	
0.00	0.00	0.00	0.00	0.00	0.00	14,522,965.21	2,096,812.49	39° 58' 48.335 N	109° 22' 15.118 W	
100.00	0.00	0.00	100.00	0.00	0.00	14,522,965.21	2,096,812.49	39° 58' 48.335 N	109° 22' 15.118 W	
200.00	0.00	0.00	200.00	0.00	0.00	14,522,965.21	2,096,812.49	39° 58' 48.335 N	109° 22' 15.118 W	
300.00	0.00	0.00	300.00	0.00	0.00	14,522,965.21	2,096,812.49	39° 58' 48.335 N	109° 22' 15.118 W	
<b>Start Build 2.00</b>										
400.00	2.00	324.74	399.98	1.42	-1.01	14,522,966.61	2,096,811.45	39° 58' 48.349 N	109° 22' 15.131 W	
500.00	4.00	324.74	499.84	5.70	-4.03	14,522,970.83	2,096,808.35	39° 58' 48.391 N	109° 22' 15.169 W	
518.37	4.37	324.74	518.15	6.79	-4.80	14,522,971.91	2,096,807.56	39° 58' 48.402 N	109° 22' 15.179 W	
<b>Start 1862.93 hold at 518.37 MD</b>										
600.00	4.37	324.74	599.55	11.87	-8.39	14,522,976.92	2,096,803.88	39° 58' 48.452 N	109° 22' 15.225 W	
700.00	4.37	324.74	699.26	18.09	-12.79	14,522,983.06	2,096,799.37	39° 58' 48.514 N	109° 22' 15.282 W	
800.00	4.37	324.74	798.97	24.30	-17.18	14,522,989.19	2,096,794.86	39° 58' 48.575 N	109° 22' 15.338 W	
900.00	4.37	324.74	898.68	30.52	-21.58	14,522,995.33	2,096,790.35	39° 58' 48.636 N	109° 22' 15.395 W	
1,000.00	4.37	324.74	998.39	36.74	-25.98	14,523,001.47	2,096,785.84	39° 58' 48.698 N	109° 22' 15.451 W	
1,100.00	4.37	324.74	1,098.10	42.96	-30.37	14,523,007.60	2,096,781.33	39° 58' 48.759 N	109° 22' 15.508 W	
1,172.11	4.37	324.74	1,170.00	47.44	-33.54	14,523,012.03	2,096,778.08	39° 58' 48.804 N	109° 22' 15.549 W	
<b>GREEN RIVER</b>										
1,200.00	4.37	324.74	1,197.81	49.18	-34.77	14,523,013.74	2,096,776.82	39° 58' 48.821 N	109° 22' 15.564 W	
1,300.00	4.37	324.74	1,297.52	55.39	-39.16	14,523,019.88	2,096,772.32	39° 58' 48.882 N	109° 22' 15.621 W	
1,400.00	4.37	324.74	1,397.23	61.61	-43.56	14,523,026.01	2,096,767.81	39° 58' 48.944 N	109° 22' 15.677 W	
1,500.00	4.37	324.74	1,496.94	67.83	-47.96	14,523,032.15	2,096,763.30	39° 58' 49.005 N	109° 22' 15.734 W	
1,600.00	4.37	324.74	1,596.65	74.05	-52.35	14,523,038.29	2,096,758.79	39° 58' 49.067 N	109° 22' 15.790 W	
1,700.00	4.37	324.74	1,696.36	80.27	-56.75	14,523,044.42	2,096,754.28	39° 58' 49.128 N	109° 22' 15.847 W	
1,800.00	4.37	324.74	1,796.07	86.48	-61.14	14,523,050.56	2,096,749.77	39° 58' 49.190 N	109° 22' 15.903 W	
1,900.00	4.37	324.74	1,895.78	92.70	-65.54	14,523,056.70	2,096,745.26	39° 58' 49.251 N	109° 22' 15.960 W	
2,000.00	4.37	324.74	1,995.49	98.92	-69.94	14,523,062.83	2,096,740.75	39° 58' 49.313 N	109° 22' 16.016 W	
2,100.00	4.37	324.74	2,095.20	105.14	-74.33	14,523,068.97	2,096,736.24	39° 58' 49.374 N	109° 22' 16.073 W	
2,200.00	4.37	324.74	2,194.91	111.36	-78.73	14,523,075.11	2,096,731.73	39° 58' 49.435 N	109° 22' 16.129 W	
2,253.25	4.37	324.74	2,248.00	114.67	-81.07	14,523,078.37	2,096,729.33	39° 58' 49.468 N	109° 22' 16.159 W	
<b>8 5/8"</b>										
2,300.00	4.37	324.74	2,294.62	117.57	-83.13	14,523,081.24	2,096,727.23	39° 58' 49.497 N	109° 22' 16.186 W	
2,381.30	4.37	324.74	2,375.68	122.63	-86.70	14,523,086.23	2,096,723.56	39° 58' 49.547 N	109° 22' 16.231 W	
<b>Start Drop -1.75</b>										
2,400.00	4.04	324.74	2,394.33	123.75	-87.49	14,523,087.34	2,096,722.75	39° 58' 49.558 N	109° 22' 16.242 W	
2,500.00	2.29	324.74	2,494.17	128.26	-90.68	14,523,091.78	2,096,719.48	39° 58' 49.602 N	109° 22' 16.283 W	
2,600.00	0.54	324.74	2,594.14	130.27	-92.10	14,523,093.77	2,096,718.02	39° 58' 49.622 N	109° 22' 16.301 W	
2,630.86	0.00	0.00	2,625.00	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
<b>Start 5853.00 hold at 2630.86 MD</b>										
2,700.00	0.00	0.00	2,694.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
2,800.00	0.00	0.00	2,794.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
2,900.00	0.00	0.00	2,894.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
3,000.00	0.00	0.00	2,994.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
3,100.00	0.00	0.00	3,094.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
3,200.00	0.00	0.00	3,194.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
3,300.00	0.00	0.00	3,294.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
3,400.00	0.00	0.00	3,394.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
3,500.00	0.00	0.00	3,494.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
3,600.00	0.00	0.00	3,594.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
3,700.00	0.00	0.00	3,694.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
3,800.00	0.00	0.00	3,794.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
3,900.00	0.00	0.00	3,894.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
4,000.00	0.00	0.00	3,994.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	

<b>Database:</b>	EDM5000-RobertS-Local	<b>Local Co-ordinate Reference:</b>	Well BONANZA 1023-6F1CS
<b>Company:</b>	Kerr McGee Oil and Gas Onshore LP	<b>TVD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Project:</b>	Uintah County, UT UTM12	<b>MD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Site:</b>	Bonanza 1023-6F Pad	<b>North Reference:</b>	True
<b>Well:</b>	BONANZA 1023-6F1CS	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	PLAN #1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude	
4,100.00	0.00	0.00	4,094.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
4,200.00	0.00	0.00	4,194.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
4,203.86	0.00	0.00	4,198.00	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
<b>WASATCH(TOP OF CYLINDER)</b>										
4,300.00	0.00	0.00	4,294.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
4,400.00	0.00	0.00	4,394.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
4,500.00	0.00	0.00	4,494.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
4,600.00	0.00	0.00	4,594.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
4,700.00	0.00	0.00	4,694.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
4,800.00	0.00	0.00	4,794.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
4,900.00	0.00	0.00	4,894.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
5,000.00	0.00	0.00	4,994.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
5,100.00	0.00	0.00	5,094.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
5,200.00	0.00	0.00	5,194.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
5,300.00	0.00	0.00	5,294.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
5,400.00	0.00	0.00	5,394.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
5,500.00	0.00	0.00	5,494.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
5,600.00	0.00	0.00	5,594.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
5,700.00	0.00	0.00	5,694.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
5,800.00	0.00	0.00	5,794.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
5,900.00	0.00	0.00	5,894.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
6,000.00	0.00	0.00	5,994.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
6,100.00	0.00	0.00	6,094.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
6,200.00	0.00	0.00	6,194.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
6,300.00	0.00	0.00	6,294.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
6,336.86	0.00	0.00	6,331.00	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
<b>MESAVERDE</b>										
6,400.00	0.00	0.00	6,394.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
6,500.00	0.00	0.00	6,494.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
6,600.00	0.00	0.00	6,594.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
6,700.00	0.00	0.00	6,694.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
6,800.00	0.00	0.00	6,794.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
6,900.00	0.00	0.00	6,894.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
7,000.00	0.00	0.00	6,994.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
7,100.00	0.00	0.00	7,094.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
7,200.00	0.00	0.00	7,194.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
7,300.00	0.00	0.00	7,294.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
7,400.00	0.00	0.00	7,394.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
7,500.00	0.00	0.00	7,494.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
7,600.00	0.00	0.00	7,594.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
7,700.00	0.00	0.00	7,694.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
7,800.00	0.00	0.00	7,794.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
7,900.00	0.00	0.00	7,894.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
8,000.00	0.00	0.00	7,994.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
8,100.00	0.00	0.00	8,094.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
8,200.00	0.00	0.00	8,194.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
8,300.00	0.00	0.00	8,294.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
8,400.00	0.00	0.00	8,394.14	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
8,483.86	0.00	0.00	8,478.00	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W	
<b>BONANZA 1023-6F1CS PBHL</b>										

<b>Database:</b>	EDM5000-RobertS-Local	<b>Local Co-ordinate Reference:</b>	Well BONANZA 1023-6F1CS
<b>Company:</b>	Kerr McGee Oil and Gas Onshore LP	<b>TVD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Project:</b>	Uintah County, UT UTM12	<b>MD Reference:</b>	GL 5123' & RKB 14' @ 5137.00ft (ASSUMED)
<b>Site:</b>	Bonanza 1023-6F Pad	<b>North Reference:</b>	True
<b>Well:</b>	BONANZA 1023-6F1CS	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	PLAN #1		

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
BONANZA 1023-6F1CS - plan hits target center - Circle (radius 25.00)	0.00	0.00	8,478.00	130.39	-92.19	14,523,093.89	2,096,717.93	39° 58' 49.624 N	109° 22' 16.302 W

Casing Points					
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)	
2,253.25	2,248.00	8 5/8"	8.625	11.000	

Formations					
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,172.11	1,170.00	GREEN RIVER			
4,203.86	4,198.00	WASATCH(TOP OF CYLINDER)			
6,336.86	6,331.00	MESAVERDE			

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment	
		+N/-S (ft)	+E/-W (ft)		
300.00	300.00	0.00	0.00	Start Build 2.00	
518.37	518.15	6.79	-4.80	Start 1862.93 hold at 518.37 MD	
2,381.30	2,375.68	122.63	-86.70	Start Drop -1.75	
2,630.86	2,625.00	130.39	-92.19	Start 5853.00 hold at 2630.86 MD	
8,483.86	8,478.00	130.39	-92.19	TD at 8483.86	

**Kerr-McGee Oil & Gas Onshore. L.P.****Bonanza 1023-6F Pad**

<b><u>API #</u></b>	<b><u>BONANZA 1023-6E4AS</u></b>		
	Surface: 1902 FNL / 2024 FWL	SENW	Lot
	BHL: 2105 FNL / 1164 FWL	SWNW	Lot 5
<b><u>API #</u></b>	<b><u>BONANZA 1023-6F1AS</u></b>		
	Surface: 1860 FNL / 2067 FWL	SENW	Lot
	BHL: 1545 FNL / 2377 FWL	SENW	Lot
<b><u>API #</u></b>	<b><u>BONANZA 1023-6F1CS</u></b>		
	Surface: 1888 FNL / 2039 FWL	SENW	Lot
	BHL: 1757 FNL / 1947 FWL	SENW	Lot
<b><u>API #</u></b>	<b><u>BONANZA 1023-6F4CS</u></b>		
	Surface: 1895 FNL / 2031 FWL	SENW	Lot
	BHL: 2529 FNL / 2040 FWL	SENW	Lot
<b><u>API #</u></b>	<b><u>BONANZA 1023-6G2AS</u></b>		
	Surface: 1867 FNL / 2060 FWL	SENW	Lot
	BHL: 1415 FNL / 2167 FEL	SWNE	Lot
<b><u>API #</u></b>	<b><u>BONANZA 1023-6G4CS</u></b>		
	Surface: 1874 FNL / 2053 FWL	SENW	Lot
	BHL: 2485 FNL / 1945 FEL	SWNE	Lot

This Surface Use Plan of Operations (SUPO) or 13-point plan provides the site-specific information for the above-referenced wells. This information incorporates by reference the Master Development Plan (MDP) for Kerr-McGee Oil & Gas Onshore LP (KMG). The MDP is available upon request from the BLM-Vernal Field Office.

In accordance with Utah Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, these wells will be directionally drilled. Refer to Topo Map A for directions to the location and Topo Maps A and B for location of access roads within a 2-mile radius.

An on-site meeting was held on June 16, 2010. Present were:

- Dave Gordon, Suzanne Gray and Dan Emmett – BLM;
- John Slaugh, Brock Slaugh and Mitch Batty- Timberline Engineering & Land Surveying, Inc.; and
- Roger Parry, Clay Einerson, Grizz Oleen, Sheila Wopsock, Lovell Young, Grizz Oleen, Hal Blanchard, Lance Morton, Tim Donovan, Kathie Zehren, Laura Gianakos and Charles Chase – Kerr-McGee

**A. Existing Roads:**

- A) Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

**The following segments are "onlease", no ROW needed.**

±5,490' (1.0 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, from the edge of pad to the eastern section line boundary in NE/4 SE/4. Please see Topo D and Exhibit B2, Lines 7 and 5.

**The following segments require a ROW.**

- ±1,310' (0.3 miles) – Section 5 T10S R23E (SW/4 SW/4) – Lease UTU73450, from the western section line boundary the southern section line boundary. Please refer to Exhibit B2, Line 4.
- ±40' (0.01 miles) – Section 8 T10S R23E (NW/4 NW/4) – Lease UTU37355, dips into the northern section line boundary and back up to northern section line boundary. Please refer to Exhibit B2, Line 3.
- ±600' (0.1 miles) – Section 5 T10S R23E (SW/4 SW/4) – Lease UTU73450, comes in from the southern section boundary line, travels east, then back to the southern section boundary line. Please refer to Exhibit B2, Line 2.
- ±1,010' (0.2 miles) – Section 8 T10S R23E (NW/4 NW/4) – Lease UTU37355, enters the northern section line boundary and ties in to existing road in the NE/4 NW/4 of section 8. Please refer to Exhibit B2, Line 1.

**B. New or Reconstructed Access Roads:**

See MDP for additional details on road construction.

No new roads need to be constructed for this pad.

**C. Location of Existing Wells:**

A) Refer to Topo Map C.

**D. Location of Existing and/or Proposed Facilities:**

*See MDP for additional details on Location of Existing and/or Proposed Facilities. Also, please refer to Exhibit B and Topo D- Pad and Pipeline Detail.*

This pad will expand the existing pad for the Bonanza 1023-6F, which is a producing gas well according to Utah Division of Oil, Gas and Mining (UDOGM) records on December 28, 2010. Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee Oil and Gas Onshore LP (KMG).

**GAS GATHERING**

The gas gathering pipeline material: Steel line pipe with fusion bond epoxy coating. The total gas gathering pipeline distance from the meter to the tie in point is ±10,130' and the individual segments are broken up as follows:

**The following segments are "onlease", no ROW needed.**

- ±670' (0.1 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 6" buried gas gathering pipeline from the meter to the edge of the pad. Please refer to Topo D-Pad and Pipeline Detail.
- ±100' (0.01 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 6" buried gas gathering pipeline from the edge of the pad to the proposed 16" pipeline. Please refer Topo D Pad and Pipeline Detail.

±2,900' (0.5 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 16" buried gas gathering pipeline from the Bonanza 1023-6F Pad 6" tie-in to the western edge of the section line boundary. Please refer to Exhibit A1, Lines 9, 11, 12 and 13. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.

**The following segments require a ROW.**

±6,460' (1.2 miles) – Section 1 T10S R22E (NE/4 NE/4) – Lease UTU011336, BLM surface, New 16" buried gas gathering pipeline from the eastern section line boundary to the southern section line boundary. Please refer to Exhibit A1, Line 14. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.

The remaining gas pipeline section that will go to the existing Tank Battery, will be on state surface. Kerr-McGee will apply for the appropriate state rights of way.

Kerr-McGee, additionally will install a gas gathering line in a southeasterly direction to tie into an existing buried pipeline. The total of this proposed gas gathering from the meter to the tie in point is ±8,570 and the individual segments are broken up as follows:

**The following segments are "onlease", no ROW needed.**

- ±670' (0.1 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 6" buried gas gathering pipeline from the meter to the edge of the pad. Please refer to Topo D-Pad and Pipeline Detail.
- ±100' (0.01 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 6" buried gas gathering pipeline from the edge of the pad to the proposed 16" pipeline. Please refer Topo D Pad and Pipeline Detail.
- ±4,900' (0.9 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 16" buried gas gathering pipeline from the Bonanza 1023-6F Pad 6" tie-in to the eastern edge of the lease and section line boundary. Please refer to Exhibit A1, Lines 8 and 6. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.

**The following segments require a ROW.**

- ±1,220' (0.2 miles) – Section 5 T10S R23E (SW/4 SW/4) – Lease UTU73450, BLM surface, New 16" gas gathering pipeline from the west lease boundary of 1023-Section 5 to the southern lease boundary of 1023-Section 5. Please refer to Exhibit A1, Line 5. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.
- ±190' (0.03 miles) – Section 8 T10S R23E (NW/4 NW/4) – Lease UTU37355, BLM surface, New 16" gas gathering pipeline dips in from the north lease boundary of 1023-Section 8 and back north to the section boundary. Please refer to Exhibit A1, Line 4. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.

- ±360' (0.03 miles) – Section 5 T10S R23E (SW/4 SW/4) – Lease UTU73450, BLM surface, New 16" gas gathering pipeline dips in from the south lease boundary of 1023-Section 5 and back south to the section boundary. Please refer to Exhibit A1, Line 3 and 2. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.
- ±1,130' (0.2 miles) – Section 8 T10S R23E (NW/4 NW/4) – Lease UTU37355, BLM surface, New 16" gas gathering pipeline comes in from the north lease boundary of 1023-Section 8 and goes southeasterly to the tie in point in the NENW of 1023 section 8. Please refer to Exhibit A1, Line 1. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.

Kerr-McGee will transport fluids (Gas and Liquids) via either or both of the said pipelines.

### LIQUID GATHERING

The total liquid gathering pipeline distance from the separator to the tie in point is ±10,130' and the individual segments are broken up as follows:

**The following segments are "onlease", no ROW needed.**

- ±670' (0.1 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 6" buried liquid gathering pipeline from the separator to the edge of the pad. Please refer to Topo D Pad and Pipeline Detail.
- ±100' (0.01 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 6" buried liquid gathering pipeline from the edge of the pad to the tie-in point at proposed 6" liquid pipeline. Please refer Topo D Pad and Pipeline Detail.
- ±2,900' (0.5 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 6" buried liquid gathering pipeline from the Bonanza 1023-6F Pad 6" tie-in to the western edge of the section line boundary. Please refer to Exhibit B1, Lines 18, 2, 3 and 4. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.

**The following segments require a ROW.**

- ±6,460' (1.2 miles) – Section 1 T10S R22E (NE/4 NE/4) – Lease UTU011336, BLM surface, New 6" buried liquid gathering pipeline from the eastern section line boundary to the southern section line boundary. Please refer to Exhibit B1, Line 5. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.

The remaining liquid pipeline section that will go to the existing Tank Battery, will be on state surface. Kerr-McGee will apply for the appropriate state rights of way.

Kerr-McGee, additionally will install a liquid gathering line in a southeasterly direction to tie into an existing buried pipeline. The total of this proposed liquid gathering from the separator to the tie in point is ±8,570 and the individual segments are broken up as follows:

**The following segments are "onlease", no ROW needed.**

- ±670' (0.1 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 6" buried liquid gathering pipeline from the separator to the edge of the pad. Please refer to Topo D Pad and Pipeline Detail.
- ±100' (0.01 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 6" buried liquid gathering pipeline from the edge of the pad to the tie-in point at proposed 6" liquid pipeline. Please refer Topo D Pad and Pipeline Detail.
- ±4,900' (0.9 miles) – Section 6 T10S R23E (SE/4 NW/4) – On-lease UTU38419, BLM surface, New 6" buried liquid gathering pipeline from the Bonanza 1023-6F Pad 6" tie-in to the eastern edge of the lease and section line boundary. Please refer to Exhibit B1, Lines 19 and 7. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.

**The following segments require a ROW.**

- ±1,220' (0.2 miles) – Section 5 T10S R23E (SW/4 SW/4) – Lease UTU73450, BLM surface, New 6" liquid gathering pipeline from the west lease boundary of 1023-Section 5 to the southern lease boundary of 1023-Section 5. Please refer to Exhibit B1, Line 8. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.
- ±190' (0.03 miles) – Section 8 T10S R23E (NW/4 NW/4) – Lease UTU37355, BLM surface, New 6" liquid gathering pipeline dips in from the north lease boundary of 1023-Section 8 and back north to the section boundary. Please refer to Exhibit B1, Line 9. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.
- ±360' (0.03 miles) – Section 5 T10S R23E (SW/4 SW/4) – Lease UTU73450, BLM surface, New 6" liquid gathering pipeline dips in from the south lease boundary of 1023-Section 5 and back south to the section boundary. Please refer to Exhibit B1, Line 10 and 16. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.
- ±1,130' (0.2 miles) – Section 8 T10S R23E (NW/4 NW/4) – Lease UTU37355, BLM surface, New 6" gas gathering pipeline comes in from the north lease boundary of 1023-Section 8 and goes southeasterly to the tie in point in the NENW of 1023 section 8. Please refer to Exhibit B1, Line 17. This portion of pipeline will be used concurrently with the Bonanza 1023-6B, Bonanza 1023-6C, Bonanza 1023-6H, Bonanza 1023-5L and Bonanza 1023-5M Pads.

The liquid gathering lines will be made of polyethylene or a composite polyethylene/steel or polyethylene/fiberglass that is not subject to internal or external pipe corrosion. The content of the produced fluids to be transferred by the liquid gathering system will be approximately 92% produced water and 8% condensate. Trunk line valve connections for the water gathering system will be below ground but accessible from the surface in order to prevent freezing during winter time.

The proposed buried pipelines will be constructed utilizing existing disturbance when possible. The area of disturbance during construction from the edge of road or well pad will be 30' in width. The total pipeline disturbance width will be 30'. Where possible there will be no additional disturbance during construction, as the road will be utilized for construction vehicles. The liquid and gas gathering lines will be in the same trench.

The proposed trench width for the pipeline would range from 18-48 inch and will be excavated to a depth of 48 to 60 inches of normal soil cover or 24 inches of cover in consolidated rock. The pipeline will be welded or zap locked along the proposed right-of-way and lowered into place. During construction blasting may occur along the proposed right-of-way when trenching equipment can not cut into the bedrock. Large debris and rocks removed from the earth during trenching and blasting that could not be returned to the trench would be distributed evenly and naturally in the project area. The proposed buried pipeline will be visually and radiographically inspected and the entire pipeline will be pneumatically tested before being placed into service.

Upon completion of the proposed buried pipeline, the entire area of disturbance will be reclaimed to the standards proposed in the Green River District Reclamation Guidelines. Please refer to the MDP for more details regarding final reclamation. Pipeline signs will be installed along the right-of-way to indicate the pipeline proximity, ownership, and to provide emergency contact phone numbers. Above ground valves and lateral T's will be installed at various locations to connect the new line to existing facilities and/or for safety purposes. Kerr-McGee requests for a permanent 30' right-of-way that will be maintained for the portion adjacent to the road. The need for the 30' permanent right-of-way is for maintenance and repairs.

When no longer serving a useful purpose, Kerr-McGee or it's successor will consult with the BLM, Vernal Field Office before termination.

**The Anadarko Completions Transportation System (ACTS) information:**

*See MDP for additional details on the ACTS System.*

Upon completion of the wells on this pad, Kerr-McGee is also requesting to utilize this pit as an Anadarko Completion Transport System (ACTS) staging pit which will be utilized for other completion operations in the area. The ACTS process will reduce the amount of truck traffic on a field-wide basis, also reducing vehicle emissions and fugitive dust generation.

Kerr-McGee will use ACTS to optimize the completion processes for multiple pads across the project area which may include up to a section of development. ACTS will facilitate management of frac fluids by utilizing existing reserve pits and temporary, surface-laid aluminum liquids transfer lines between frac locations. The refurbished pit will be relined per the guidelines in the MDP. The pit will be refurbished as follows: mix and pile up drill cuttings with dry dirt, bury the original liner in the pit, walk bottom of pit with cat. Kerr-McGee will reline the pit with a 30 mil liner and double felt padding. The refurbished pit will be the same size or smaller as specified in the originally approved ROW/APD. The pit refurb will be done in a normal procedure and there will be no modification to the pit that does not coincide with Kerr-McGee's MDP. Hog fence panels (5' X 16') will be built and painted shadow gray and will be put up on the work side of the pit. Polypropylene netting will be installed over all pits. There will be two 500 bbl temporary frac tanks placed on the location. The trucks will unload water into these tanks before the water is placed into the refurbished pit. The

purpose of the temporary frac tanks is to collect any hydro-carbons that may have been associated with the other completion operations before releasing into the pit. The collected hydrocarbons will be treated and sold at approved sales facilities. A loading rack with drip containment will be also be installed where water trucks would unload and load to prevent damage caused from pulling hoses in and out of the pit .

ACTS will require temporarily laying multiple 6" aluminum water transfer lines on the surface between either existing or refurbished reserve pits. Please see the attached ACTS exhibit C for placement of the proposed temporary lines. The temporary aluminum transfer lines will be utilized to transport frac fluid being injected and/or recovered during the completion process and will be laid adjacent to existing access roads. Upon completion of the frac operation, the liquids transfer lines will be flushed with fresh water and purged with compressed air. The contents of the transfer lines will be flushed into a water truck for delivery to another ACTS location or a reserve pit.

The volume of frac fluid transported through a water transfer line will vary, but volume is projected to be approximately 1.75 bbls per 50-foot joint. Although the maximum working pressure is 125 psig, the liquids transfer lines will be operated at a pressure of approximately 30 to 40 psig.

Kerr-McGee requests to keep this netted pit open for one year. During this time the surrounding well location completion fluids may be recycled in this pit and utilized for other frac jobs in the area. After one year Kerr-McGee will backfill the pit and reclaim as stated in the MDP. Kerr-McGee understands that due to the temporary nature of this system, BLM considers this a casual use situation; therefore, no permanent ROW or temporary use plan will need to be issued by the BLM.

**E. Location and Types of Water Supply:**

See MDP for additional details on Location and Type of Water Supply.

Water for drilling and completion operations will be obtained from the following sources:

Permit # 49-2307	JD Field Services	Green River- Section 15, T2N, R22E
Permit # 49-2321	R.N. Industries	White River- Section 2, T10S, R24E
Permit # 49-2319	R.N. Industries	White River- Various Sources
Permit # 49-2320	R.N. Industries	Green River- Section 33, T8S, R23E

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

**F. Construction Materials:**

*See MDP for additional details on Source of Construction Materials.*

**G. Methods for Handling Waste:**

*See MDP for additional details on Methods of Handling Waste Materials*

Fluids disposal and pipeline/haul routes are depicted on Topo Map A.

Any produced water separated from recoverable condensate from the proposed well will be contained in a water tank and will then be transported by pipeline and/or truck to one of the pre-approved disposal sites:

RNI in Sec. 5 T9S R22E  
NBU #159 in Sec. 35 T9S R21E  
Ace Oilfield in Sec. 2 T6S R20E  
MC&MC in Sec. 12 T6S R19E  
Pipeline Facility in Sec. 36 T9S R20E  
Goat Pasture Evaporation Pond in SW/4 Sec. 16 T10S R22E  
Bonanza Evaporation Pond in Sec. 2 T10S R23E

Or to one of the following Kerr-McGee active Salt Water Disposal (SWD) wells:

NBU 159 SWD in Sec. 35 T9S R21E  
CIGE 112D SWD in Sec. 19 T9S R21E  
CIGE 114 SWD in Sec. 34 T9S R21E  
NBU 921-34K SWD in Sec. 34 T9S R21E  
NBU 921-33F SWD in Sec. 34 T9S R21E

**H. Ancillary Facilities:**

*See MDP for additional details on Ancillary Facilities.*  
None are anticipated.

**I. Well Site Layout:**

*See MDP and Well Pad Design Summary for additional details on Well Site Layout.*

**J. Plans for Surface Reclamation:**

*See MDP for additional details on Plans for Reclamation of the Surface.*

**Site Specific Reclamation Considerations:**

Reclamation Monitoring Reference Point for all wells on Pad (where a reclamation monitoring point has not been established at the time of APD submission, it will be submitted for approval under separate cover prior to surface disturbing activities):

Seed Mix to be used for Well Site, Access Road, and Pipeline (as applicable):

<b>Bonanza Area Mix</b>	<b>Pure Live Seed lbs/acre</b>
Crested Wheat (Hycrest)	2
Bottlebrush Squirreltail	1
Western Wheatgrass (Arriba)	1
Indian Ricegrass	1
Fourwing Saltbush	2
Shadscale	2
Forage Kochia	0.25
Rocky Mountain Bee Plant	0.5
<b>Total</b>	<b>9.75</b>

**K. Surface/Mineral Ownership:**

United States of America  
Bureau of Land Management  
170 South 500 East  
Vernal, UT 84078  
(435)781-4400

**L. Other Information:**

*See MDP for additional details on Other Information.*

**Onsite Specifics:**

- Construction: 30 Mil Double Felt
- Construction: Need to have PET from BLM to inspect Pipeline before line is buried
- Facilities: Need stream alteration permit from 6F to the compressor station
- Facilities: Will be painted Shadow Grey
- Top Soil: Need to save 4" topsoil

**Resource Reports:**

A Class I literature survey was completed on August 20, 2010 by Montgomery Archaeological Consultants, Inc (MOAC). For additional details please refer to report MOAC 10-066b.

A paleontological reconnaissance survey was completed on April 28, 2010 by SWCA Environmental Consultants. For additional details please refer to report UT10-14314-26.

Biological field survey was completed on June 8, 2010 by Grasslands Consulting, Inc (GCI). For additional details please refer to report GCI-308.

**Right-of-Ways (ROW):**

*See MDP for additional information on ROW*

**M. Lessee's or Operators' Representative & Certification:**

Gina T. Becker  
Regulatory Analyst II  
Kerr-McGee Oil & Gas Onshore LP  
PO Box 173779  
Denver, CO 80217-3779  
(720) 929-6086

Tommy Thompson  
General Manager, Drilling  
Kerr-McGee Oil & Gas Onshore LP  
PO Box 173779  
Denver, CO 80217-3779  
(720) 929-6724

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Land Management Nationwide Bond WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.



Gina T. Becker

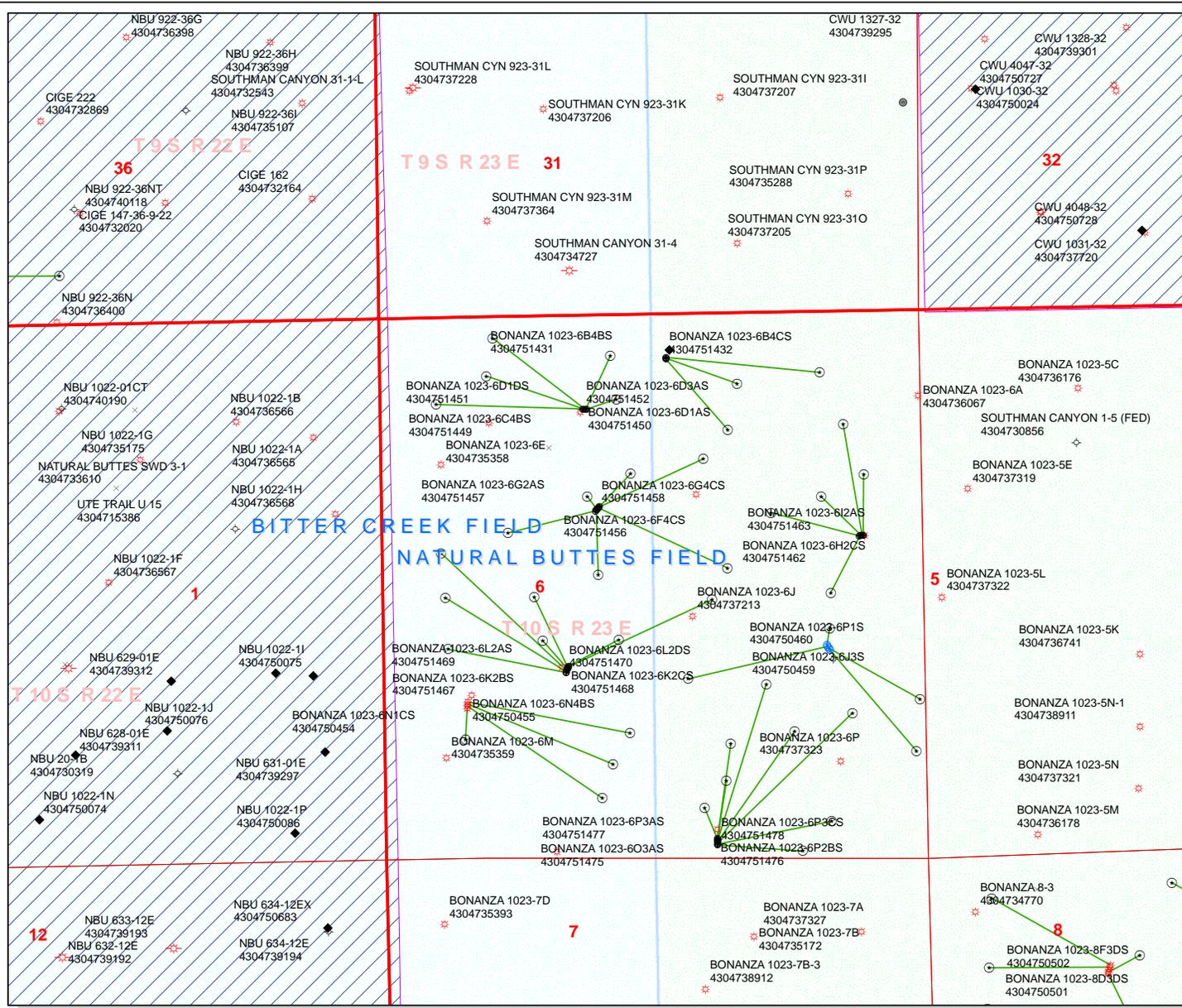
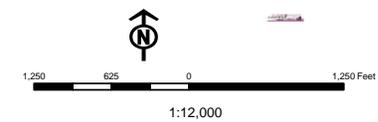
December 28, 2010

Date

**API Number: 4304751455**  
**Well Name: BONANZA 1023-6F1CS**  
**Township 10.0 S Range 23.0 E Section 06**  
**Meridian: SLBM**  
 Operator: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Map Prepared:  
 Map Produced by Diana Mason

Units STATUS	Wells Query Status
ACTIVE	APD - Approved Permit
EXPLORATORY	DRL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NP PP OIL	GS - Gas Storage
NP SECONDARY	LA - Location Abandoned
PI OIL	LOC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERMAL	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Unknown	SGW - Shut-in Gas Well
ABANDONED	SOW - Shut-in Oil Well
ACTIVE	TA - Temp. Abandoned
COMBINED	TW - Test Well
INACTIVE	WDW - Water Disposal
STORAGE	WIW - Water Injection Well
TERMINATED	WSW - Water Supply Well
Sections	
Township	



# WORKSHEET APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 1/3/2011

**API NO. ASSIGNED:** 43047514550000

**WELL NAME:** BONANZA 1023-6F1CS

**OPERATOR:** KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995)

**PHONE NUMBER:** 720 929-6086

**CONTACT:** Gina Becker

**PROPOSED LOCATION:** SENW 06 100S 230E

**Permit Tech Review:**

**SURFACE:** 1888 FNL 2039 FWL

**Engineering Review:**

**BOTTOM:** 1757 FNL 1947 FWL

**Geology Review:**

**COUNTY:** UINTAH

**LATITUDE:** 39.98014

**LONGITUDE:** -109.37101

**UTM SURF EASTINGS:** 639097.00

**NORTHINGS:** 4426614.00

**FIELD NAME:** NATURAL BUTTES

**LEASE TYPE:** 1 - Federal

**LEASE NUMBER:** UTU38419

**PROPOSED PRODUCING FORMATION(S):** WASATCH-MESA VERDE

**SURFACE OWNER:** 1 - Federal

**COALBED METHANE:** NO

## RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: FEDERAL - WYB000291
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: Permit #43-8496
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingle Approved

## LOCATION AND SITING:

- R649-2-3.
- Unit:
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: Cause 179-14
- Effective Date: 6/12/2008
- Siting: 460' Fr Exterior Drilling Unit Boundary
- R649-3-11. Directional Drill

**Comments:** Presite Completed

**Stipulations:** 3 - Commingle - ddoucet  
4 - Federal Approval - dmason  
15 - Directional - dmason



GARY R. HERBERT  
*Governor*

GREGORY S. BELL  
*Lieutenant Governor*

## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

### Permit To Drill

\*\*\*\*\*

**Well Name:** BONANZA 1023-6F1CS

**API Well Number:** 43047514550000

**Lease Number:** UTU38419

**Surface Owner:** FEDERAL

**Approval Date:** 1/19/2011

**Issued to:**

KERR-MCGEE OIL & GAS ONSHORE, L.P., P.O. Box 173779, Denver, CO 80217

**Authority:**

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 179-14. The expected producing formation or pool is the WASATCH-MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

**Duration:**

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

**Commingle:**

In accordance with Board Cause No. 179-14, commingling of the production from the Wasatch formation and the Mesaverde formation in this well is allowed.

**General:**

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**Conditions of Approval:**

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

**Notification Requirements:**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>

**Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

**Approved By:**

A handwritten signature in black ink, appearing to read "John Rogers", written over a faint rectangular box.

For John Rogers  
Associate Director, Oil & Gas

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

JAN 05 2010

FORM APPROVED  
OMB No. 1004-0136  
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER **BLM**

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU38419
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERR-MCGEE OIL & GAS ONSHORE Contact: GINA T BECKER Email: GINA.BECKER@ANADARKO.COM		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. BOX 173779 DENVER, CO 80202-3779	3b. Phone No. (include area code) Ph: 720-929-6086 Fx: 720-929-7086	8. Lease Name and Well No. BONANZA 1023-6F1CS
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW 1888FNL 2039FWL 39.98006 N Lat, 109.37155 W Lon At proposed prod. zone SENW 1757FNL 1947FWL 39.98042 N Lat, 109.37188 W Lon		9. API Well No. 43 047 51455
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 46.7 MILES SOUTH OF VERNAL, UTAH		10. Field and Pool, or Exploratory BONANZA
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1757	16. No. of Acres in Lease 516.80	11. Sec., T., R., M., or Blk. and Survey or Area Sec 6 T10S R23E Mer SLB
17. Spacing Unit dedicated to this well	18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 158	12. County or Parish UINTAH
19. Proposed Depth 8484 MD 8478 TVD	20. BLM/BIA Bond No. on file WYB000291	13. State UT
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5123 GL	22. Approximate date work will start 06/30/2011	23. Estimated duration 60-90 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) GINA T BECKER Ph: 720-929-6086	Date 01/04/2011
Title REGULATORY ANALYST II		
Approved by (Signature) 	Name (Printed/Typed) Jerry Kenczka	Date OCT 06 2011
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

**CONDITIONS OF APPROVAL ATTACHED**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #100010 verified by the BLM Well Information System  
For KERR-MCGEE OIL & GAS ONSHORE, sent to the Vernal  
Committed to AFMSS for processing by ROBIN R. HANSEN on 01/06/2010

NOTICE OF APPROVAL  
RECEIVED

OCT 17 2011

UDOGM

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*  
DEPT OF OIL, GAS & MINING



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4401



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

Company:	Kerr McGee Oil & Gas Onshore, LP	Location:	SENW, Sec. 6, T10S, R23E (S) SENW, Sec. 6, T10S, R23E (B)
Well No:	Bonanza 1023-6F1CS	Lease No:	UTU-38419
API No:	43-047-51455	Agreement:	N/A

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

Location Construction (Notify Environmental Scientist)	- Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	- Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings to: <a href="mailto:ut_vn_opreport@blm.gov">ut_vn_opreport@blm.gov</a> .
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)***

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO<sub>x</sub> per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO<sub>x</sub> per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

**SITE SPECIFIC COAs**

**Bonanza 1023-6F1CS  
DOI-BLM-UT-G010-2011-0396-EA**

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horse power must not emit more than 2 grams of NO<sub>x</sub> per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower-hour.
- All new and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gram of NO<sub>x</sub> per horsepower-hour.
- All vehicles and equipment shall be cleaned either through power-washing, or other approved method, if the vehicles or equipment were previously operated outside the Uinta Basin, to prevent weed seed introduction.
- All disturbance areas shall be monitored for noxious weeds annually, for a minimum of three growing seasons following completion of project or until desirable vegetation is established
- Noxious and invasive weeds will be controlled throughout the area of project disturbance.
- Noxious weeds will be inventoried and reported to BLM in the annual reclamation report. Where an integrated pest management program is applicable, coordination has been undertaken with the state and local management program (if existing). A copy of the pest management plan will be submitted for each project.

- A pesticide use permit (PUP) will be obtained for the project, if applicable.
- *Discovery Stipulation:* Re-initiation of section 7 consultation with the USFWS will be sought immediately if any loss of plants or occupied habitat for Pariette cactus or Uinta Basin hookless cactus is anticipated as a result of project activities.

***DOWNHOLE PROGRAM  
CONDITIONS OF APPROVAL (COAs)***

**Site Specific Drilling Plan COA's:**

- Gamma Ray Log shall be run from Total Depth to Surface.
- Cement for the production casing shall be brought 200 feet above the surface casing shoe.

**Variations Granted:**

**Air Drilling:**

- Properly lubricated and maintained rotating head. Variance granted to use a properly maintained and lubricated diverter bowl in place of rotating head.
- Blooie line discharge 100' from well bore. Variance granted for blooie line discharge to be 45' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the well bore. Variance granted for truck/trailer mounted air compressors located within 40' of the well.
- In lieu of mud products on location, Kerr McGee will fill the reserve pit with water for kill fluid.
- Automatic igniter. Variance granted for igniter since there are no productive formations in the interval that is air drilled.
- FIT Test. Variance granted due to known geology and problems that can occur with the FIT test.

**All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to.** The following items are emphasized:

**DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order

No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Wellogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at [www.ONRR.gov](http://www.ONRR.gov).
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU38419
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well		<b>8. WELL NAME and NUMBER:</b> BONANZA 1023-6F1CS
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.		<b>9. API NUMBER:</b> 43047514550000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6515 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1888 FNL 2039 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENW Section: 06 Township: 10.0S Range: 23.0E Meridian: S		<b>COUNTY:</b> UINTAH
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:  <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:  <input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 11/29/2011  <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER	
	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX. SPUD WELL ON 11/29/2011 AT 1800 HRS.		
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY</b>		
<b>NAME (PLEASE PRINT)</b> Sheila Wopsock	<b>PHONE NUMBER</b> 435 781-7024	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A		<b>DATE</b> 12/1/2011

BLM - Vernal Field Office - Notification Form

Operator KERR-McGEE OIL & GAS Rig Name/# BUCKET RIG  
 Submitted By JAIME SCHARNOWSKE Phone Number 720.929.6304  
 Well Name/Number BONANZA 1023-6F1CS  
 Qtr/Qtr SEnw Section 6 Township 10S Range 23E  
 Lease Serial Number UTU38419  
 API Number 4304751455

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 11/28/2011 11:00 HRS AM  PM

Casing – Please report time casing run starts, not cementing times.

- Surface Casing
- Intermediate Casing
- Production Casing
- Liner
- Other

Date/Time 12/12/2011 08:00 HRS AM  PM

BOPE

- Initial BOPE test at surface casing point
- BOPE test at intermediate casing point
- 30 day BOPE test
- Other

Date/Time \_\_\_\_\_ AM  PM

Remarks ESTIMATED DATE AND TIME. PLEASE CONTACT KENNY GATHINGS AT  
435.828.0986 OR LEVEL YOUNG AT 435.781.7051

Amended

BLM - Vernal Field Office - Notification Form

Operator KERR-McGEE OIL & GAS Rig Name/# BUCKET RIG  
Submitted By JAIME SCHARNOWSKE Phone Number 720.929.6304  
Well Name/Number BONANZA 1023-6F1CS  
Qtr/Qtr SENW Section 6 Township 10S Range 23E  
Lease Serial Number UTU38419  
API Number 4304751455

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 11/29/2011 09:00 HRS AM  PM

Casing – Please report time casing run starts, not cementing times.

- Surface Casing
- Intermediate Casing
- Production Casing
- Liner
- Other

RECEIVED  
NOV 29 2011  
DIV. OF OIL, GAS & MINING

Date/Time 12/09/2011 08:00 HRS AM  PM

BOPE

- Initial BOPE test at surface casing point
- BOPE test at intermediate casing point
- 30 day BOPE test
- Other

Date/Time \_\_\_\_\_ AM  PM

Remarks ESTIMATED DATE AND TIME. PLEASE CONTACT KENNY GATHINGS AT

435.828.0986 OR LOVEL YOUNG AT 435.781.7051

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU38419
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> BONANZA 1023-6F1CS
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<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1888 FNL 2039 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENW Section: 06 Township: 10.0S Range: 23.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 12/19/2011	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 50px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The operator requests approval for changes in the drilling plan. Specifically, the Operator requests approval for a closed loop drilling option and a production casing change. All other aspects of the previously approved drilling plan will not change. These proposals do not deviate from previously submitted and approved plans. Please see attachments. Thank you.

**Accepted by the Utah Division of Oil, Gas and Mining**

Date: 12/20/2011

By: *Derek Quist*

<b>NAME (PLEASE PRINT)</b> Jaime Scharnowske	<b>PHONE NUMBER</b> 720 929-6304	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/19/2011	

**Kerr-McGee Oil & Gas Onshore. L.P.****BONANZA 1023-6F1CS**

Surface: 1888 FNL / 2039 FWL      SENW  
 BHL: 1757 FNL / 1947 FWL      SENW

Section 6 T10S R23E

Uintah County, Utah  
 Mineral Lease: UTU-38419

**ONSHORE ORDER NO. 1****DRILLING PROGRAM**

1. & 2. **Estimated Tops of Important Geologic Markers:**  
**Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Formation</u>	<u>Depth</u>	<u>Resource</u>
Uinta	0 - Surface	
Green River	1,170'	
Birds Nest	1,435'	Water
Mahogany	1,798'	Water
Wasatch	4,198'	Gas
Mesaverde	6,331'	Gas
MVU2	7,304'	Gas
MVL1	7,878'	Gas
TVD	8,478'	
TD	8,484'	

3. **Pressure Control Equipment** (Schematic Attached)

Please refer to the attached Drilling Program

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program

6. **Evaluation Program:**

Please refer to the attached Drilling Program

**7. Abnormal Conditions:**

Maximum anticipated bottom hole pressure calculated at 8478' TVD, approximately equals  
5,426 psi 0.64 psi/ft = actual bottomhole gradient

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Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

Maximum anticipated surface pressure equals approximately 3,549 psi (bottom hole pressure  
minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

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Per Onshore Order No. 2 - Max Anticipated Surf. Press. (MASP) = (Pore Pressure at next csg point -  
(0.22 psi/ft-partial evac gradient x TVD of next csg point))

**8. Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

**9. Variances:**

Please refer to the attached Drilling Program.  
Onshore Order #2 – Air Drilling Variance

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2

- Blowout Prevention Equipment (BOPE) requirements;
- Mud program requirements; and
- Special drilling operation (surface equipment placement) requirements associated with air drilling.

This Standard Operating Practices addendum provides supporting information as to why KMG current air drilling practices for constructing the surface casing hole should be granted a variance to Onshore Order 2 air drilling requirements.

The reader should note that the air rig is used only to construct a stable surface casing hole through a historically difficult lost circulation zone. A conventional rotary rig follows the air rig, and is used to drill and construct the majority of the wellbore.

More notable, KMG has used the air rig layout and procedures outlined below to drill the surface casing hole in approximately 675 wells without incident of blow out or loss of life.

**Background**

In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.

Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.

The air rig is then mobilized to drill the surface casing hole by drilling a 12 1/4 inch hole for the first 200 feet, then will drill a 11 inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 11 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 8-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.

KMG fully appreciates Onshore Order 2 well control and safety requirements associated with a typical air drilling operations. However, the requirements of Onshore Order 2 are excessive with respect to the air rig layout and drilling operation procedures that are currently in practice to drill and control the surface casing hole in KMG Fields.

#### **Variance for BOPE Requirements**

The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch blooie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.

#### **Variance for Mud Material Requirements**

Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rigs utilize water from the reserve pit for well control, if necessary. A skid pump which is located near the reserve pit (see attachment) will supply the water to the well bore.

#### **Variance for Special Drilling Operation (surface equipment placement) Requirements**

Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a KMG location. The typical air rig layout for drilling surface hole in the field is attached.

Typically the blooie line discharge point is required to be 100 feet from the well bore. In the case of a KMG well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The blooie line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.

Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see attachment) are located on the rig (1250 cfm) and

on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.

#### **Variance for FIT Requirements**

KMG also respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

#### **Conclusion**

The air rig operating procedures and the attached air rig layout have effectively maintained well control while drilling the surface holes in KMG Fields. KMG respectfully requests a variance from Onshore Order 2 with respect to air drilling well control requirements as discussed above.

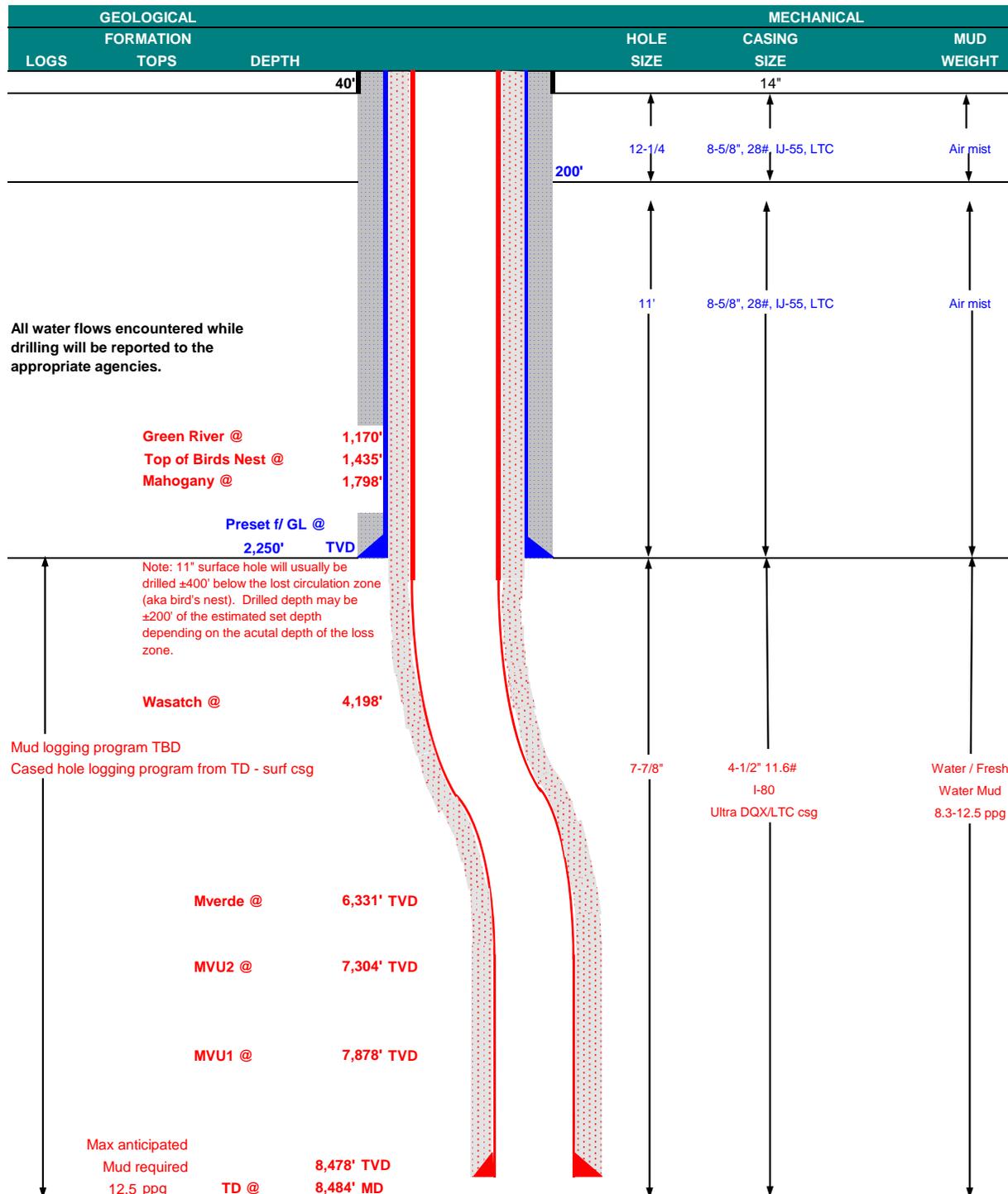
#### **10. Other Information:**

Please refer to the attached Drilling Program.



## KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP		DATE	December 19, 2011	
WELL NAME	<b>BONANZA 1023-6F1CS</b>		TD	8,478'	8,484' MD
FIELD	Natural Buttes	COUNTY	Uintah	STATE	Utah
SURFACE LOCATION	SENW 1888 FNL 2039 FWL	Sec 6	T 10S	R 23E	FINISHED ELEVATION 5,133'
	Latitude: 39.980059	Longitude: -109.371546	NAD 27		
BTM HOLE LOCATION	SENW 1757 FNL 1947 FWL	Sec 6	T 10S	R 23E	
	Latitude: 39.980417	Longitude: -109.371875	NAD 27		
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: UDOGM (Minerals), UDOGM (Surface), UDOGM Tri-County Health Dept.				





**KERR-McGEE OIL & GAS ONSHORE LP**  
**DRILLING PROGRAM**

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS			
						BURST	LTC		DQX
							COLLAPSE	TENSION	
CONDUCTOR	14"	0-40'							
						3,390	1,880	348,000	N/A
SURFACE	8-5/8"	0 to 2,250	28.00	IJ-55	LTC	2.40	1.79	6.31	N/A
						7,780	6,350	223,000	267,035
PRODUCTION	4-1/2"	0 to 5,000	11.60	I-80	DQX	1.11	1.15		3.35
	4-1/2"	5,000 to 8,484'	11.60	I-80	LTC	1.11	1.15	6.82	

**Surface casing:**

(Burst Assumptions: TD = 12.5 ppg) 0.73 psi/ft = frac gradient @ surface shoe  
 Fracture at surface shoe with 0.1 psi/ft gas gradient above  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)

**Production casing:**

(Burst Assumptions: Pressure test with 8.4ppg @ 7000 psi) 0.64 psi/ft = bottomhole gradient  
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)

**CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	180	60%	15.80	1.15
Option 1							
	TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt + 2% CaCl + 0.25 pps flocele	270	0%	15.80	1.15
SURFACE			<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>				
Option 2	LEAD	1,750'	65/35 Poz + 6% Gel + 10 pps gilsonite + 0.25 pps Flocele + 3% salt BWOW	160	35%	11.00	3.82
	TAIL	500'	Premium cmt + 2% CaCl + 0.25 pps flocele	150	35%	15.80	1.15
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80	1.15
PRODUCTION	LEAD	3,694'	Premium Lite II +0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	280	20%	12.00	3.38
	TAIL	4,790'	50/50 Poz/G + 10% salt + 2% gel + 0.1% R-3	1,130	35%	14.30	1.31

\*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained  
 \*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

**FLOAT EQUIPMENT & CENTRALIZERS**

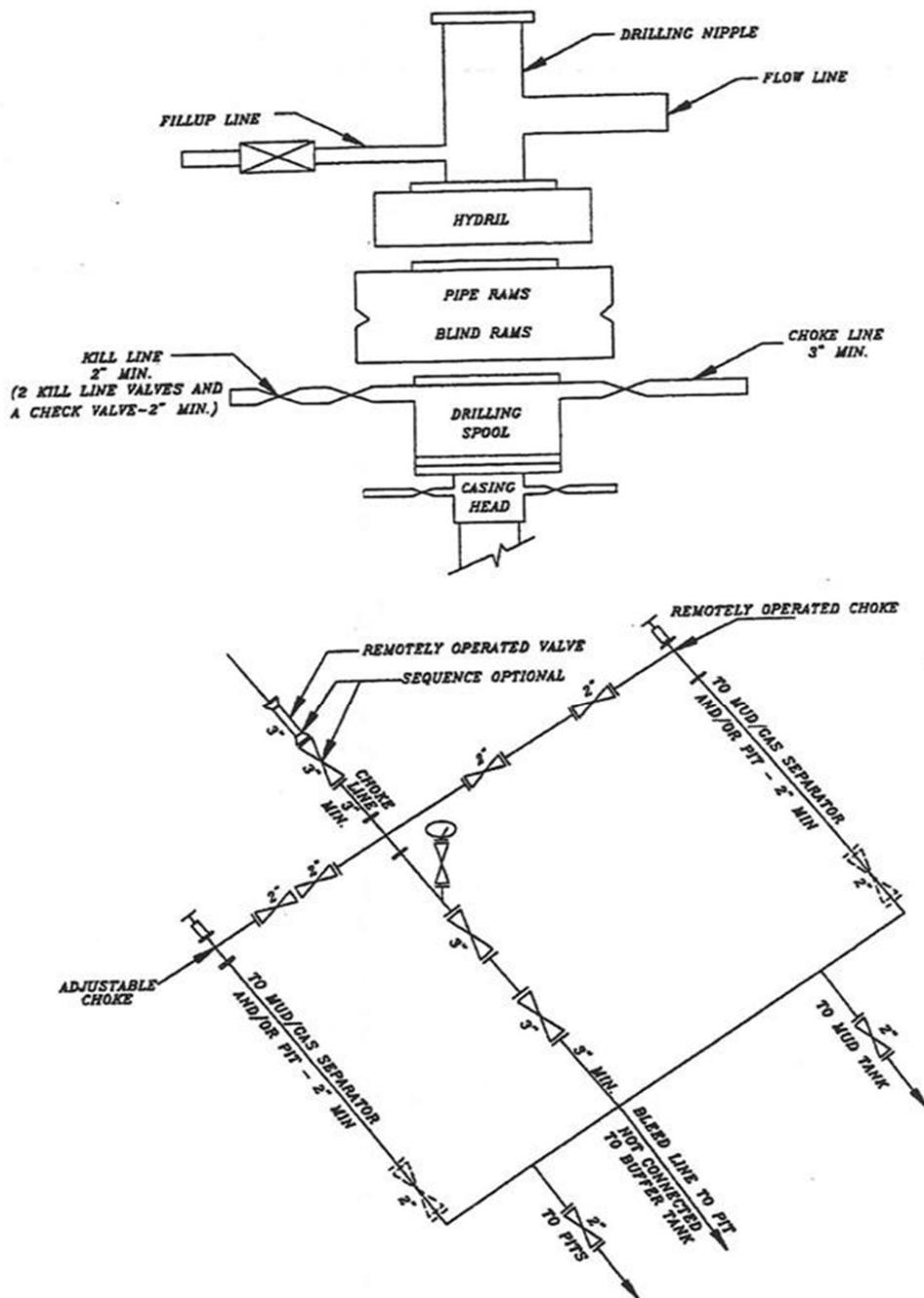
SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe
PRODUCTION	Float shoe, 1 jt, float collar. 15 centralizers for a Mesaverde and 20 for a Blackhawk. 1 on first 3 joints and 1 every third from there up.

**ADDITIONAL INFORMATION**

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.  
 BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.  
 Surveys will be taken at 1,000' minimum intervals.  
 Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

**DRILLING ENGINEER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
 Nick Spence / Danny Showers / Chad Loesel  
**DRILLING SUPERINTENDENT:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
 Kenny Gathings / Lovel Young

### EXHIBIT A BONANZA 1023-6F1CS



**SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK**

Requested Drilling Options:

Kerr-McGee will use either a closed loop drilling system that will require one pit and one cuttings storage area to be constructed on the drilling pad or a traditional drilling operation with one pit used for drilling and completion operations. The cuttings storage area will be used to contain only the de-watered drill cuttings and will be lined and bermed to prevent any liquid runoff. The drill cuttings will be buried in the completion pit once completion operations are completed according to traditional pit closure standards. The pit will be constructed to allow for completion operations. The completion operations pit will be lined with a synthetic material 20 mil or thicker and will be used for the completing of the wells on the pad or used as part of our Aandarko Completions Transportation System (ACTS). Using the closed loop drilling system will allow Kerr-McGee to decrease the amount of disturbance/footprint on location compared to a single large drilling/completions pit.

If Kerr-McGee does not use a closed loop drilling system, it will construct a traditional drilling/completions pit to contain drill cuttings and for use in completion operations. The pit will be lined with a synthetic material 20 mil or thicker. The drill cuttings will be buried in the pit using traditional pit closure standards.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

**ENTITY ACTION FORM**

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995  
 Address: 1368 SOUTH 1200 EAST  
city VERNAL  
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304751455	BONANZA 1023-6F1CS		SEnw	6	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	18335	11/29/2011			12/16/11	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>W57MVD</i> SPUD WELL ON 11/29/2011 AT 1800 HRS <i>BHL = SENW</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304751456	BONANZA 1023-6F4CS		SEnw	6	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	18336	11/29/2011			12/16/11	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>W57MVD</i> SPUD WELL ON 11/29/2011 AT 2030 HRS. <i>BHL = SENW</i>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304751453	BONANZA 1023-6E4AS		SEnw	6	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	18337	11/30/2011			12/16/11	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>W57MVD</i> SPUD WELL ON 11/30/2011 AT 0930 HRS. <i>BHL = SWNW</i>							

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA WOPSOCK

Name (Please Print)

Signature

REGULATORY ANALYST

12/1/2011

Date

RECEIVED

DEC 01 2011

DIV. OF OIL, GAS & MINING

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU38419
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> BONANZA 1023-6F1CS	
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047514550000	
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6515 Ext	<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1888 FNL 2039 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENW Section: 06 Township: 10.0S Range: 23.0E Meridian: S	<b>COUNTY:</b> UINTAH	
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 1/3/2012	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER
		OTHER: <input type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
MIRU AIR RIG ON DEC. 31, 2011. DRILLED SURFACE HOLE TO 2345'. RAN SURFACE CASING AND CEMENTED. WELL IS WAITING ON ROTARY RIG. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH WELL COMPLETION REPORT.		
<b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY</b>		
<b>NAME (PLEASE PRINT)</b> Jaime Scharnowske	<b>PHONE NUMBER</b> 720 929-6304	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 1/4/2012	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU38419
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> BONANZA 1023-6F1CS
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047514550000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6514
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1888 FNL 2039 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENW Section: 06 Township: 10.0S Range: 23.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> MOUNTAIN BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 3/3/2012	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU ROTARY RIG. FINISHED DRILLING FROM 2345' TO 8560' ON MARCH 1, 2012. RAN 4-1/2" 11.6# I-80 PRODUCTION CASING. CEMENTED PRODUCTION CASING. RELEASED XTREME 12 RIG ON MARCH 3, 2012 @ 13:30 HRS. DETAILS OF CEMENT JOB WILL BE INCLUDED WITH THE WELL COMPLETION REPORT. WELL IS WAITING ON FINAL COMPLETION ACTIVITIES.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 March 06, 2012

<b>NAME (PLEASE PRINT)</b> Jaime Scharnowske	<b>PHONE NUMBER</b> 720 929-6304	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 3/4/2012	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU38419	
<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>	
<b>7. UNIT or CA AGREEMENT NAME:</b>	
<b>8. WELL NAME and NUMBER:</b> BONANZA 1023-6F1CS	
<b>9. API NUMBER:</b> 43047514550000	
<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES	
<b>COUNTY:</b> UINTAH	
<b>STATE:</b> UTAH	

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

<b>1. TYPE OF WELL</b> Gas Well
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779
<b>PHONE NUMBER:</b> 720 929-6511
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1888 FNL 2039 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENW Section: 06 Township: 10.0S Range: 23.0E Meridian: S

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 5/2/2012	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 THE SUBJECT WELL WAS PLACED ON PRODUCTION ON MAY 2, 2012 AT 1430 HOURS. THE CHRONOLOGICAL WELL HISTORY WILL BE SUBMITTED WITH THE WELL COMPLETION REPORT.

**Accepted by the  
 Utah Division of  
 Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 May 15, 2012

<b>NAME (PLEASE PRINT)</b> Gina Becker	<b>PHONE NUMBER</b> 720 929-6086	<b>TITLE</b> Regulatory Analyst II
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/3/2012	

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU38419
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> BONANZA 1023-6F1CS
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.	<b>9. API NUMBER:</b> 43047514550000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779	<b>PHONE NUMBER:</b> 720 929-6514
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1888 FNL 2039 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENW Section: 06 Township: 10.0S Range: 23.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> MATHEWAL BUTTES  <b>COUNTY:</b> UINTAH  <b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 7/6/2012	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

No activity for the month of June 2012. Well TD at 8,560'.

**Accepted by the  
Utah Division of  
Oil, Gas and Mining**

**FOR RECORD ONLY**

July 09, 2012

<b>NAME (PLEASE PRINT)</b> Jaime Scharnowske	<b>PHONE NUMBER</b> 720 929-6304	<b>TITLE</b> Regulatory Analyst
<b>SIGNATURE</b> N/A	<b>DATE</b> 7/6/2012	

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. Lease Serial No.  
UTU38419

1a. Type of Well  Oil Well  Gas Well  Dry  Other  
 b. Type of Completion  New Well  Work Over  Deepen  Plug Back  Diff. Resvr.  
 Other \_\_\_\_\_

2. Name of Operator **KERR MCGEE OIL & GAS ONSHORE** Contact: CARA MAHLER  
 Mail: cara.mahler@anadarko.com

3. Address 1099 18TH STREET, SUITE 1800 DENVER, CO 80202 3a. Phone No. (include area code)  
 Ph: 720-929-6029

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*  
 At surface SENW 1888FNL 2039FWL 39.980059 N Lat, 109.371546 W Lon  
 At top prod interval reported below SENW 1767FNL 1946FWL  
 At total depth SENW 1757FNL 1942FWL *BHL by HOM*

6. If Indian, Allottee or Tribe Name  
 7. Unit or CA Agreement Name and No.  
 8. Lease Name and Well No. **BONANZA 1023-6F1CS** ✓  
 9. API Well No. **43-047-51455**

10. Field and Pool, or Exploratory **NATURAL BUTTES**  
 11. Sec., T., R., M., or Block and Survey or Area **Sec 6 T10S R23E Mer SLB**  
 12. County or Parish **UINTAH** 13. State **UT**

14. Date Spudded **11/29/2011** 15. Date T.D. Reached **03/01/2012** 16. Date Completed **05/02/2012**  
 D & A  Ready to Prod.

17. Elevations (DF, KB, RT, GL)\*  
**5123 GL**

18. Total Depth: MD **8560** TVD **8550** 19. Plug Back T.D.: MD **8507** TVD **8497** 20. Depth Bridge Plug Set: MD **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
**CCL/GR/PRESS/TEMP-CBL/CM/GR/CCL-BHV-SD/DSN/ACTR**

22. Was well cored?  No  Yes (Submit analysis)  
 Was DST run?  No  Yes (Submit analysis)  
 Directional Survey?  No  Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20.000	14.000 STL	36.7	0	40		28			
11.000	8.625 IJ-55	28.0	0	2312		675		0	
7.875	4.500 I-80	11.6	0	8551		1500		2100	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	8018							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	5399	5735	5399 TO 5735	0.360	48	OPEN
B) MESAVERDE	6806	8411	6806 TO 8411	0.360	168	OPEN
C)						
D)						

26. Perforation Record

Depth Interval	Amount and Type of Material
5399 TO 8411	PUMPED 8031 BBLs SLICK H2O & 189,995 LBS 30/50 OTTAWA SAND

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
05/02/2012	05/12/2012	24	▶	0.0	3989.0	120.0			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
20/64	SI	1974	▶	0	3989	120		PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			▶						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
	SI		▶						

**RECEIVED**  
**JUL 25 2012**



**US ROCKIES REGION  
Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig Name No: PROPETRO 12/12, XTC 12/12

Event: DRILLING

Start Date: 11/28/2011

End Date: 3/3/2012

Active Datum: RKB @5,138.01ft (above Mean Sea Level)

UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
12/31/2011	21:00 - 0:00	3.00	MIRU	01	B	P		SKID RIG 10' TO BONANZA 1023-6F1CS WELL 4/6. INSTALL DIVERTOR HEAD AND BLUEY LINE. BUILD DITCH. SPOT IN RIG. SPOT IN CATWALK AND PIPE RACKS. RIG UP PIT PUMP. RIG UP PUMP. PRIME PUMP. INSPECT RIG. HELD PRE-SPUD SAFETY MEETING.
1/1/2012	0:00 - 2:00	2.00	DRLSUR	02	D	P		DRILL 12.25" HOLE 44'- 210'. (166', 83'/HR) RPM=45, WOB 5-15K. PSI ON/OFF 600/400. UP/DOWN/ ROT 20/20/20 K. DRAG 0 K. CIRC RESERVE W. 8.3# WATER. DRILL DOWN TO 210' W/ 6" COLLARS.
	2:00 - 4:00	2.00	DRLSUR	06	A	P		SPUD 01/01/12 00:00 POOH, PU, 11" BIT AND DIRECTIONAL TOOLS, TIH T/ 210'
	4:00 - 17:30	13.50	DRLSUR	02	D	P		DRILL F/210 T/1750 (1540' @ 114' PER HR) WOB 20K, PSI ON/OFF 1330/1100, RPM 50 UP/DWN/ROT 67/58/64 LOST CIRC. 1580' APPLIED AIR PUMP MOTOR DOWN, POOH T/CONDUCTOR, WAIT ON PUMP, RU PUMP
1/2/2012	17:30 - 0:00	6.50	DRLSUR	08	A	Z		RU PUMP, TIH T/1750'
	0:00 - 2:30	2.50	DRLSUR	08	A	Z		DRILL F/1750-2345 (595' @ 50' PER HR) WOB 17K, PSI ON/OFF 1100/900, RPM 50 UP/DWN/ROT 80/67/73
	2:30 - 14:30	12.00	DRLSUR	02	D	P		TD 14:30 01/02/2011 CIRC. F/CSNG LDDS
1/3/2012	14:30 - 16:30	2.00	DRLSUR	05	D	P		BROKE HYDRAULIC HOSE, WAIT FOR & INSTALL HYDRAULIC HOSE
	16:30 - 17:00	0.50	DRLSUR	06	D	P		LDDS, BHA & DIR TOOLS
	17:00 - 20:30	3.50	DRLSUR	08	A	Z		MOVE PIPE RACKS AND CATWALK. PULL DIVERTER HEAD. RIG UP TO RUN CSG. AND MOVE CSG INTO POSITION TO P/U.
	20:30 - 23:00	2.50	DRLSUR	06	D	P		RUN 52 JTS 8 5/8, 28# CSNG. SHOE SET @ 2301', BAFFLE SET @ 2255'
	23:00 - 0:00	1.00	DRLSUR	12	A	P		HOLD SAFETY MEETING, RUN 200' OF 1". RIG DOWN RIG MOVE OFF WELL, REBUILD DITCH. RIG UP CEMENT TRUCK, 2" HARD LINES., CEMENT HEAD, LOAD PLUG. LAND CSNG @03:00
1/3/2012	0:00 - 2:30	2.50	DRLSUR	12	C	P		PRESSURE TEST LINES TO 2000 PSI. PUMP 140 BBLS OF WATER AHEAD. PUMP 20 BBLS OF 8.3# GEL WATER AHEAD. PUMP (300 SX) 61.35 BBLS OF 15.8# 1.15 YD 5 GAL/SK PREMIUM CEMENT W/ 2% CALC. DROP PLUG ON FLY. DISPLACE W/ 140.6 BBLS OF H2O. NO CIRC THROUGH OUT. FINAL LIFT OF 200 PSI AT 4 BBL/MIN. BUMP PLUG W/500 PSI HELD FOR 5 MIN. FLOAT HELD. PUMP (150 SX) 30.64 BBLS OF SAME TAIL CEMENT W/ 4% CALC. DOWN BACKSIDE. SHUT DOWN AND CLEAN TRUCK. NO CEMENT TO SURFACE.
	2:30 - 3:30	1.00	DRLSUR	12	B	P		
	3:30 - 4:30	1.00	DRLSUR	12	E	P		

**US ROCKIES REGION**  
**Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig Name No: PROPETRO 12/12, XTC 12/12

Event: DRILLING

Start Date: 11/28/2011

End Date: 3/3/2012

Active Datum: RKB @5,138.01ft (above Mean Sea Level)

UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	4:30 - 6:30	2.00	DRLSUR	13	A	P		WOC , PUMP (100 SX) 20.42 BBLS 15.8 CMT DOWN BACKSIDE. NO RETURNS TO SURFACE
	6:30 - 9:00	2.50	DRLSUR	13	A	P		WOC , PUMP (125 SX) 25.53 BBLS 15.8 CMT DOWN BACKSIDE. NO RETURNS TO SURFACE. WILL TOP OFF W/CMT AFTER RIG MOVE. RELEASE RIG 09:00
2/26/2012	19:30 - 21:00	1.50	MIRU	01	C	P		PULLED CAT WALK FOWARD. SKID RIG 20' PAST PRE-EXISTING WELL. RIG UP MUD LINES AND ELECTRICAL. PUSH CATWALK BACK.
	21:00 - 22:00	1.00	MIRU	14	A	P		NIPPLE UP BOPE. NIPPLE UP CHOKE LINE.
	22:00 - 0:00	2.00	MIRU	14	A	P		NIPPLE UP STRATA EQUIPMENT. INSTALL STRATA CSG PRESSURE GAUGE. INSTALL FILL UP LINE. INSTALL ORBIT VALVE AND STRATA CHOKE LINE VALVE. INSTALL
2/27/2012	0:00 - 3:30	3.50	MIRU	14	A	P		NIPPLE UP STRATA EQUIPMENT AND STRATA CHOKE LINE.
	3:30 - 9:00	5.50	MIRU	15	A	P		HOLD SAFETY MEETING. TEST DART VALVE, PIPE AND BLIND RAMS, INSIDE AND OUTSIDE KILL LINE VALVES INSIDE CHOKE LINE VALVE, HCR VALVE, CHOKE LINE, CHOKE MANIFOLD VALVES AND CHOKES TO 5000 PSI FOR 10 MIN AND 500 PSI FOR 5 MIN. TEST ANNULAR TO 2500 PSI FOR 10 MIN AND 250 PSI FOR 5 MIN. TEST CSG TO 1500 PSI FOR 30 MIN.  (SET UP BHA. INSTALL FLOW LINE. TRANSFER 300 BBLS OF WATER TO RIG PITS. TRANSFER 120 BBLS OF #9 DRILL WATER TO PITS. RUNNING 1 CENTRIFUGE AND DEWATERING) (1 CENTRIFUGE DOWN FOR REPAIRS.)
	9:00 - 10:30	1.50	MIRU	15	A	P		INSTALL STRATA TEST PLUG IN ROT HEAD. TEST STRATA EQUIPMENT. DRILLER TIGHTENED STRATA FLANGES BECAUSE OF LEAKS. STRATA HAND SAID FLANGES WERE AS TIGHT AS THEY COULD GET THEM. TEST ORBIT VALVE AND DRILL CHOKES TO 3000 PSI FOR 5 MIN AND 250 PSI FOR 5 MIN.
	10:30 - 11:00	0.50	MIRU	14	B	P		RIG DOWN TESTER AND SET WEAR BUSHING. WEAR BUSHING SHOWS SLIGHT WEAR.
	11:00 - 14:00	3.00	MIRU	06	A	P		P/U HUNTING .21 RPG 1.5 BH MOTOR. M/U SMITH MDI 616 (SN JF 3689) W/ 6/15'S. SCRIBE MOTOR AND MONELS. INSTALL EM TOOL AND PROGRAM. TRIP IN HOLE TO 1500' AND INSTALL NEW STRATA ROT HEAD RUBBER.
	14:00 - 15:00	1.00	MIRU	09	A	P		SLIP AND CUT DRILL LINE.
	15:00 - 15:30	0.50	MIRU	06	A	P		TRIP IN HOLE AND TAG CEMENT 2180'.
	15:30 - 16:00	0.50	DRLPRO	13	A	P		SPUD 2/27/2012 15:30. DRILL CEMENT AND FLOAT EQUIPMENT 2180'-2356'. SHOE @ 2312'. ROT 45 SPM 100 450 GPM. CHECK FOR LEAKS.

**US ROCKIES REGION**  
**Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig Name No: PROPETRO 12/12, XTC 12/12

Event: DRILLING

Start Date: 11/28/2011

End Date: 3/3/2012

Active Datum: RKB @5,138.01ft (above Mean Sea Level)

UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	16:00 - 17:30	1.50	DRLPRO	02	D	P		DRILL SLIDE 2356'-2679' (323', 215'/HR) WOB 15-20K. AVE WOB-17K. RPM 60. DHRPM 109. SPM 115 GPM-517. ON/OFF PSI 1650/1300. 350 DIFF. TORQUE ON/OFF 6800/1700. STRING WT UP/DOWN/ROT 74/67/69. DRAG 5K. ROT OUT OF SHOE @ 4 DEGREES.. SLIDE 0' SLIDE 0% ROT 100%. 16' NORTH 14' WEST OF CENTER OF TARGET RUNNING 1 CENTRIFUGES AND DE WATERING.( .WT 8.4 VIS 26. ) FEED TUBE ON 1 CENTRIFUGE BROKE. CHANGING OUT CENTRIFUGE TOMORROW. USED 17 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 10 BBLS DRILL WATER INTO FORMATION. (LOSING 7 BBLS HR) STRATA OFF LINE. 4' CONNECTION FLARE OUT OF SHOE.
	17:30 - 18:00	0.50	DRLPRO	07	A	P		RIG SERVICE. SERVICE TOP DRIVE. CHECK BRAKES AIR GAP AND CHECKED E-STOP.
	18:00 - 0:00	6.00	DRLPRO	02	D	P		DRILL SLIDE 2679'-3469' (790,132'/HR) WOB 15-22K. AVE WOB-20K. RPM 60. DHRPM 109. SPM 115 GPM-517. ON/OFF PSI 1900/1500. 400 DIFF. TORQUE ON/OFF 6500/2500. STRING WT UP/DOWN/ROT 95/80/83. DRAG 12K. SLIDE 160' @ 100'HR SLIDE 20% ROT 80%. 5' NORTH AND 21' WEST OF CENTER OF TARGET. RUNNING 1 CENTRIFUGES AND DE WATERING.( .WT 8.4 VIS 26. ) FEED TUBE ON 1 CENTRIFUGE BROKE. CHANGING CENTRIFUGE TOMORROW WITH CRANE. USED 42 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 85 BBLS DRILL WATER INTO FORMATION. (LOSING 14 BBLS HR) USE GEL AND LCM SWEEPS TO HELP CONTROL SEEPAGE AND CLEAN HOLE. STRATA OFF LINE.
2/28/2012	0:00 - 5:30	5.50	DRLPRO	02	D	P		DRILL SLIDE 3469'- 4244' (775', 141'/HR) WOB 15-23K. AVE WOB-21K. RPM 60. DHRPM 109. SPM 115 GPM-517. ON/OFF PSI 2000/1600. 400 DIFF. TORQUE ON/OFF 7500/2500. STRING WT UP/DOWN/ROT 105/92/96. DRAG 9K. SLIDE 70' @ 85'/HR SLIDE 9% ROT 91%. 1' SOUTH 13' WEST OF CENTER OF TARGET RUNNING 1 CENTRIFUGES AND DE WATERING.( WT 8.4 VIS 26. ) FEED TUBE ON 1 CENTRIFUGES BROKE. CHANGING CENTRIFUGE TODAY. USED 42 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 83 BBLS DRILL WATER INTO FORMATION. (LOSING 15 BBLS HR) PUMP GEL AND LCM SWEEP TO HELP WITH LOSSES. STRATA OFF LINE. NO FLARE

**US ROCKIES REGION**  
**Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig Name No: PROPETRO 12/12, XTC 12/12

Event: DRILLING

Start Date: 11/28/2011

End Date: 3/3/2012

Active Datum: RKB @5,138.01ft (above Mean Sea Level)

UWI: SE/NW0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	5:30 - 6:00	0.50	DRLPRO	07	A	P		SERVICE RIG. SERVICE TOP DRIVE AND CROWN. CHECK BRAKES. TEST E-STOP.
	6:00 - 12:30	6.50	DRLPRO	02	D	P		DRILL SLIDE 4244'-4993' (749',125'/HR) WOB 15-25K. AVE WOB-22K. RPM 60. DHRPM 109. SPM 115 GPM-517. ON/OFF PSI 2150/1650. 500 DIFF. TORQUE ON/OFF 7500/2500. STRING WT UP/DOWN/ROT 117/97/104. DRAG 13K. SLIDE 30' @ 105'/HR SLIDE 4% ROT 96%. 3' SOUTH 4' WEST OF CENTER OF TARGET RUNNING 1 CENTRIFUGES AND DE WATERING.( WT 8.7 VIS 27. ) USED 41 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 102 BBLS DRILL WATER INTO FORMATION. (LOSING 16 BBLS HR) PUMP GEL AND LCM SWEEP TO HELP WITH LOSSES. STRATA OFF LINE. NO FLARE. BOP DRILL 45SEC
	12:30 - 17:30	5.00	DRLPRO	02	D	P		DRILL SLIDE 4993'-5628' (635', 127'/HR) WOB 15-25K. AVE WOB-22K. RPM 50. DHRPM 109. SPM 115 GPM-517. ON/OFF PSI 2150/1750. 400 DIFF. TORQUE ON/OFF 8200/3000. STRING WT UP/DOWN/ROT 119/99/107. DRAG 12K. SLIDE 85' @ 85'/HR SLIDE 13% ROT 87%. 11' SOUTH .5' EAST OF CENTER OF TARGET RUNNING BOTH CENTRIFUGES AND DE WATERING.( WT 8.5 VIS 26. ) USED 34 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 57 BBLS DRILL WATER INTO FORMATION. (LOSING 11 BBLS HR) PUMP GEL AND LCM SWEEP TO HELP WITH LOSSES. STRATA OFF LINE. NO FLARE.
	17:30 - 18:00	0.50	DRLPRO	07	D	P		SERVICE RIG. SERVICE PUMPS. SERVICE TOP DRIVE. CHANGE ENCODER.

**US ROCKIES REGION**  
**Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

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Rig Name No: PROPETRO 12/12, XTC 12/12

Event: DRILLING

Start Date: 11/28/2011

End Date: 3/3/2012

Active Datum: RKB @5,138.01ft (above Mean Sea Level)

UWI: SE/NW0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	18:00 - 0:00	6.00	DRLPRO	02	D	P		<p>DRILL SLIDE 5628'-6014'. (386',64'/HR)                      WOB 15-25K. AVE WOB-22K.                      RPM 60. DHRPM 109.                      SPM 115 GPM-517.                      ON/OFF PSI 2200/1750. 450 DIFF.                      TORQUE ON/OFF 9200/4000.                      STRING WT UP/DOWN/ROT 138/105/119. DRAG 19K.                      SLIDE 187' @ 50'/HR (SLIDE TO KICK WELL OFF TO NW OF TARGET)                      SLIDE 48% ROT 52%.                      .5' NORTH 8' EAST OF CENTER OF TARGET                      RUNNING BOTH CENTRIFUGES AND DE WATERING.( WT 8.5 VIS 26. )                      USED 20 BBLS DRILL WATER FOR HOLE VOLUME.                      LOSS 116 BBLS DRILL WATER INTO FORMATION.                      (LOSING 19 BBLS HR) PUMP GEL AND LCM SWEEP TO HELP WITH LOSSES.                      STRATA OFF LINE. NO FLARE.</p>
2/29/2012	0:00 - 5:30	5.50	DRLPRO	02	D	P		<p>DRILL SLIDE 6014'-6626' (612', 111'/HR)                      WOB 15-25K. AVE WOB-23K.                      RPM 60. DHRPM 109.                      SPM 115 GPM-517.                      ON/OFF PSI 2350/1950. 400 DIFF.                      TORQUE ON/OFF 9600/4400.                      STRING WT UP/DOWN/ROT 142/115/127. DRAG 15K.                      SLIDE 55' @ 50'/HR                      SLIDE 9% ROT 91%.                      16' NORTH 4' EAST OF CENTER OF TARGET                      RUNNING BOTH CENTRIFUGES AND DE WATERING.( WT 8.4 VIS 26. )                      USED 33 BBLS DRILL WATER FOR HOLE VOLUME.                      LOSS 43 BBLS DRILL WATER INTO FORMATION.                      (LOSING 8 BBLS HR) PUMP GEL AND LCM SWEEP TO HELP WITH LOSSES.                      STRATA OFF LINE. NO FLARE.</p>
	5:30 - 6:00	0.50	DRLPRO	07	A	P		<p>RIG SERVICE. SERVICE TOP DRIVE. SERVICE PUMPS. CHECK BRAKES AIR GAP AND TEST E STOP. FUNCTION PIPE RAMS.</p>

**US ROCKIES REGION**  
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Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

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Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	6:00 - 12:00	6.00	DRLPRO	02	D	P		DRILL SLIDE 6626'-7344' (718', 120'/HR) WOB 15-25K. AVE WOB-23K. RPM 60. DHRPM 109. SPM 115 GPM-517. ON/OFF PSI 2336/1920. 400 DIFF. TORQUE ON/OFF 9600/4400. STRING WT UP/DOWN/ROT 150/125/138. DRAG 12K. SLIDE 101' @ 50'/HR SLIDE 9% ROT 91%. 16' NORTH 4' EAST OF CENTER OF TARGET RUNNING BOTH CENTRIFUGES AND DE WATERING.( WT 8.5 VIS 26. ) USED 33 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 43 BBLS DRILL WATER INTO FORMATION. (LOSING 8 BBLS HR) PUMP GEL AND LCM SWEEP TO HELP WITH LOSSES. STRATA OFF LINE. NO FLARE.
	12:00 - 0:00	12.00	DRLPRO	02	D	P		DRILL SLIDE 7344'-7937' (593', 50'/HR) WOB 15-25K. AVE WOB-23K. RPM 60. DHRPM 109. SPM 115 GPM-517. ON/OFF PSI 2336/1920. 400 DIFF. TORQUE ON/OFF 5494/3200. STRING WT UP/DOWN/ROT 150/125/138. DRAG 12K. SLIDE 220' @ 50'/HR SLIDE 60% ROT 40%. 21' NORTH 10.5' EAST OF CENTER OF TARGET RUNNING BOTH CENTRIFUGES AND DE WATERING.( WT 8.5 VIS 26. ) USED 33 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 43 BBLS DRILL WATER INTO FORMATION. (LOSING 8 BBLS HR) PUMP GEL AND LCM SWEEP TO HELP WITH LOSSES. STRATA OFF LINE. NO FLARE.
3/1/2012	0:00 - 6:45	6.75	DRLPRO	02	D	P		DRILL SLIDE 7937'-8560' (623', 92'/HR) TD@ 8560' 03/01/2012 06:45 WOB 15-25K. AVE WOB-23K. RPM 55. DHRPM 109. SPM 115 GPM-517. ON/OFF PSI 2475/2028. 400 DIFF. TORQUE ON/OFF 9569/3980. STRING WT UP/DOWN/ROT 154/129/148. DRAG 6K. SLIDE 0% ROT 100%. 21' NORTH 10.5' EAST OF CENTER OF TARGET RUNNING ONE CENTRIFUGE AND NOT DE WATERING.( WT 8.6 VIS 30. ) THE BEARING SEAL WAS LEAKING ON THE OTHER CENTRAFUGE HAD TO SHUT IT DOWN AND RUN ONLY ONE. USED 33 BBLS DRILL WATER FOR HOLE VOLUME. LOSS 43 BBLS DRILL WATER INTO FORMATION. (LOSING 8 BBLS HR) PUMP GEL AND LCM SWEEP TO HELP WITH LOSSES. STRATA OFF LINE. NO FLARE.

**US ROCKIES REGION  
Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig Name No: PROPETRO 12/12, XTC 12/12

Event: DRILLING

Start Date: 11/28/2011

End Date: 3/3/2012

Active Datum: RKB @5,138.01ft (above Mean Sea Level)

UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	6:45 - 10:45	4.00	DRLPRO	05	A	P		CIRCULATE AND CONDITION MUD BRING MUD WEIGHT UP TO 11.4 POUND PER GALLON, AND VISCOSITY UP TO 40 SECOND'S. MIX AND PUMP 11.6 POUND PER GALLON 40 BBL PILL FOR DRY JOB.
	10:45 - 17:30	6.75	DRLPRO	06	E	P		WPER TRIP OUT TO THE SURFACE CASING SHOE. TIGHT SPOTS ON THE WAY OUT- 7347', 4713', 4141'.
	17:30 - 18:00	0.50	DRLPRO	07	A	P		RIG SERVICE, SERVICED TOP DRIVE, INSPECT BRAKES
	18:00 - 0:00	6.00	DRLPRO	06	E	P		WPER TRIP BACK TO BOTTOM. TIGHT SPOTS ON THE WAY IN- 4083', 4904', 5268', 5994', WASHED AND REAMED FROM 8400' TO 8560'.
3/2/2012	0:00 - 1:00	1.00	DRLPRO	06	E	P		WPER TRIP BACK TO BOTTOM. TIGHT SPOTS ON THE WAY IN- 4083', 4904', 5268', 5994', WASHED AND REAMED FROM 8400' TO 8560'.
	1:00 - 3:30	2.50	DRLPRO	05	A	P		CIRCULATE AND CONDITION MUD, AND HOLE FOR LOGG'S
	3:30 - 11:00	7.50	DRLPRO	06	D	P		TRIP OUT FOR LOGG'S TIGHT HOLE-7744', HOLD SAFETY MEETING WITH RIG CREW, NATIVE NAVIGATION LAY DOWN DIRECTIONAL TOOL'S, MOTOR, AND BIT.
	11:00 - 17:00	6.00	DRLPRO	11	E	P		HOLD SAFETY MEETING RIG UP AND RUN TRIPPLE COMBO LOGGS TO A LOGGERS DEPTH OF 8561'
	17:00 - 18:30	1.50	DRLPRO	12	A	P		HOLD SAFETY MEETING WITH RIG CREW, KIMZY CASING, AND TUBULAR SOLLUTION'S. RIG UP
	18:30 - 0:00	5.50	DRLPRO	12	C	P		RUN 120 JOINTS OF CASING,
3/3/2012	0:00 - 2:30	2.50	DRLPRO	12	C	P		RAN CSG IN HOLE. RUN CENTRALIZERS ON FIRST 3 JTS AND EVERY THIRD FOR TOTAL OF 15 JOINT'S. LAY DOWN TWO JOINT'S OF CASING DUE TO CROSS THREADING. STAB STRATA ROT HEAD RUBBER @ 1800'. AUTO FILL FLOATS QUIT FILLING @ 3701' IN HOLE. RUN IN HOLE WITH ALL I-80 JOINTS ON RACK THEN RIG UP TORQUE TURN. PERFORM DUMP TEST. TORQUE TURN DQX CSG. FILL CASING @ 6000'. RUN ALL BUT 3 JOINT'S OF DQX IN THE HOLE. LAY DOWN 1 JOINT OF DQX DUE TO GAULDING. WASH DOWN LAST JT. NO FILL ON BOTTOM. NO LOSSES ON CSG RUN. CLEAN PITS WHILE RUNNING CASING.
								RUN 199 JOINTS OF CASING, 86 JOINTS OF 4.5 11.6# I-80 LTC 113 JOINTS OF 4.5 11.6# I-80 DQX MESAVERDE MARKER JOINT SET @ 6311.81' DQX/LTC CROSS OVER SET @ 4909.61' FLOAT COLLAR SET @ 8507.02', TOP @ 8505.52' FLOAT SHOE SET @ 8550.72'
	2:30 - 3:00	0.50	DRLPRO	12	A	P		RUN 15 CENTRALIZER'S BREAK CIRCULATION, HOLD SAFETY MEETING, RIG DOWN CASING CREW. BJ ON LOCATION AT 2:00 A.M. 400 SX OF LEAD ON LOCATION AND 1100 SX OF TAIL ON LOCATION.

**US ROCKIES REGION**  
**Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig Name No: PROPETRO 12/12, XTC 12/12

Event: DRILLING

Start Date: 11/28/2011

End Date: 3/3/2012

Active Datum: RKB @5,138.01ft (above Mean Sea Level)

UWI: SE/NW0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (ft)	Operation
	3:00 - 4:30	1.50	DRLPRO	12	D	P		CIRCULATE BOTTOMS UP, MUD WEIGHT OUT 11.3#, MUD WEIGHT IN 11.4# NO FLAIR, NO LOSSES. BLOW DOWN TOP DRIVE. HOLD SAFETY MEETING WITH RIG CREW AND CEMENT CREW, RIG UP CEMENT HEAD AND PRESSURE TEST LINES TO 4,446 PSI.
	4:30 - 7:30	3.00	DRLPRO	12	E	P		PUMP 25 BBLS OF FRESH WATER, PUMP 161 BBLS (400 SX) OF 12.0 PPG 2.26 YD 12.48 GAL/SK OF LEAD CEMENT. PUMP 256.6 BBLS (1100 SX) OF 14.3# 1.31 YD 5.90 GAL/SK POZ 50/50 TAIL CEMENT. SHUT DOWN AND FLUSH LINES. DROP TOP PLUG AND DISPLACE W/ 132 BBLS OF FRESH WATER TREATED WITH CLAYFIX AND MAGNACIDE. RETURNED WITH 10 BBLS WATER SPACER TO SURFACE LIFT PSI OF 2359 @ 3 BBLS MIN. BUMP PLUG 3250 PSI. PRESSURE HELD 5 MINS. FLOAT HELD. FLOW BACK 1.5 BBLS. ESTIMATED TOP OF CEMENT FOR LEAD 15', ESTIMATED TOP OF CEMENT FOR TAIL 3981'. RIG DOWN CEMENTERS. FLUSH STACK WITH FRESH WATER. BLOW OUT MUD LINES. STORED 780 BBLS OF 11.4# MUD IN UPRIGHTS.
	7:30 - 11:00	3.50	RDMO	14	A	P		NIPPLE DOWN STRATA EQUIPMENT OFF OF STACK PREPARED RIG FOR 10' SKID.
	11:00 - 11:30	0.50	RDMO	14	A	P		NIPPLE DOWN STACK. REMOVE FLOW LINE.
	11:30 - 13:30	2.00	RDMO	14	A	P		PICK UP STACK. SET C-22 SLIPS UNDER STACK @ 120K. CUT OFF CASING. FINISH CLEANING PITS. RELEASE RIG 03/03/2012 13:30.

1 General

1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

1.2 Well/Wellbore Information

Well	BONANZA 1023-6F1CS GREEN	Wellbore No.	OH
Well Name	BONANZA 1023-6F1CS	Wellbore Name	BONANZA 1023-6F1CS
Report No.	1	Report Date	4/16/2012
Project	UTAH-UINTAH	Site	BONANZA 1023-6F PAD
Rig Name/No.		Event	COMPLETION
Start Date	5/1/2012	End Date	5/2/2012
Spud Date	1/1/2012	Active Datum	RKB @5,138.01ft (above Mean Sea Level)
UWI	SE/NW/0/10/S/23/E/6/0/0/26/PMWN/1888/W/0/2039/0/0		

1.3 General

Contractor	CASED HOLE SOLUTIONS	Job Method		Supervisor	ED GUDAC
Perforated Assembly	PRODUCTION CASING	Conveyed Method			

1.4 Initial Conditions

Fluid Type		Fluid Density	
Surface Press		Estimate Res Press	
TVD Fluid Top		Fluid Head	
Hydrostatic Press		Press Difference	
Balance Cond	NEUTRAL		

1.5 Summary

Gross Interval	5,399.0 (ft)-8,411.0 (ft)	Start Date/Time	4/16/2012 12:00AM
No. of Intervals	32	End Date/Time	4/16/2012 12:00AM
Total Shots	216	Net Perforation Interval	59.00 (ft)
Avg Shot Density	3.66 (shot/ft)	Final Surface Pressure	
		Final Press Date	

2 Intervals

2.1 Perforated Interval

Date	Formation/Reservoir	CCL@ (ft)	CCL-T S (ft)	MD Top (ft)	MD Base (ft)	Shot Density (shot/ft)	Misfires/Add. Shot	Diameter (in)	Carr Type /Stage No	Carr Size (in)	Phasing (")	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
4/16/2012 12:00AM	WASATCH/			5,399.0	5,401.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO	N

2.1 Perforated Interval (Continued)

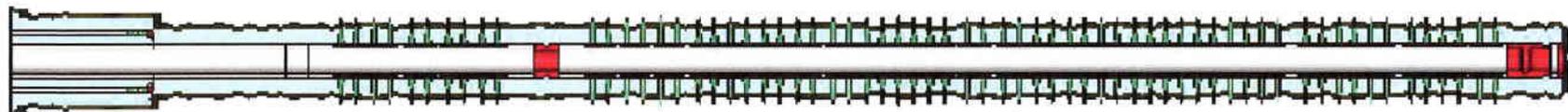
Date	Formation/ Reservoir	CCL@ (ft)	CCL-T S (ft)	MD Top (ft)	MD Base (ft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
4/16/2012 12:00AM	WASATCH/			5,448.0	5,450.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	WASATCH/			5,570.0	5,572.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	WASATCH/			5,674.0	5,677.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	WASATCH/			5,732.0	5,735.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			6,806.0	6,808.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			6,874.0	6,876.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			6,932.0	6,934.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,067.0	7,069.0	3.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,090.0	7,092.0	3.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,144.0	7,146.0	3.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,188.0	7,190.0	3.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,282.0	7,283.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,324.0	7,326.0	3.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,344.0	7,345.0	3.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,358.0	7,359.0	3.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,466.0	7,468.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,584.0	7,586.0	3.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,610.0	7,612.0	3.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,639.0	7,641.0	3.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,662.0	7,664.0	3.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,709.0	7,710.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	

2.1 Perforated Interval (Continued)

Date	Formation/ Reservoir	CCL@ (ft)	CCL-T S (ft)	MD Top (ft)	MD Base (ft)	Shot Density (shot/ft)	Misfires/ Add. Shot	Diamete r (in)	Carr Type /Stage No	Carr Size (in)	Phasing (°)	Charge Desc /Charge Manufacturer	Charge Weight (gram)	Reason	Misrun
4/16/2012 12:00AM	MESAVERDE/			7,719.0	7,720.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,740.0	7,741.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,766.0	7,767.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			7,792.0	7,794.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			8,048.0	8,050.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			8,076.0	8,078.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			8,100.0	8,102.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			8,282.0	8,284.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			8,304.0	8,306.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	
4/16/2012 12:00AM	MESAVERDE/			8,409.0	8,411.0	4.00		0.360	EXP/	3.375			23.00	PRODUCTIO N	

3 Plots

3.1 Wellbore Schematic



**US ROCKIES REGION  
Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig Name No: SWABBCO 6/6, SWABBCO 1/1

Event: COMPLETION

Start Date: 5/1/2012

End Date: 5/2/2012

Active Datum: RKB @5,138.00usft (above Mean Sea Level)

UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
4/16/2012	-							
4/20/2012	7:00 - 9:00	2.00	COMP	33		P		<p>FILL SURFACE CSG. MIRU B&amp;C QUICK TEST. PSI TEST T/ 1000 PSI. HELD FOR 15 MIN LOST 19 PSI.</p> <p>PSI TEST T/ 3500 PSI. HELD FOR 15 MIN LOST 38 PSI.</p> <p>1ST PSI TEST T/ 7000 PSI. HELD FOR 30 MIN LOST 88 PSI.</p> <p>NO COMMUNICATION OR MIGRATION WITH SURFACE CSG</p> <p>BLEED OFF PSI. MOVE T/ NEXT WELL.</p>
	9:00 - 12:00	3.00	COMP	37		P		<p>PERF STG 1)PU 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH PERF AS PER DESIGN. POOH. SWIFW</p>
4/23/2012	10:30 - 18:00	7.50	COMP	36	B	P		<p>FRAC STG 1)WHP 100 PSI, BRK 4258 PSI @ 6.4 BPM. ISIP 2182 PSI, FG .70.</p> <p>CALC PERFS OPEN @ 49.6 BPM @ 4970 PSI = 88% HOLES OPEN. (21/24 HOLES OPEN)</p> <p>ISIP 2229 PSI, FG .71, NPI 47 PSI.</p> <p>MP 6653 PSI, MR 50.3 BPM, AP 4247 PSI, AR 49.9 BPM,</p> <p>PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 2)PU 4 1/2 8K HAL CBP &amp; 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH SET CBP @ 8132' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 2)WHP 1555 PSI, BRK 3374 PSI @ 5.0 BPM. ISIP 1638 PSI, FG .64.</p> <p>CALC PERFS OPEN @ 49.9 BPM @ 3929 PSI = 100% HOLES OPEN. (24/24 HOLES OPEN)</p> <p>ISIP 2281 PSI, FG .72, NPI 623 PSI.</p> <p>MP 4265 PSI, MR 50.3 BPM, AP 4833 PSI, AR 49.9 BPM,</p> <p>PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 3)PU 4 1/2 8K HAL CBP @ 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH SET CBP @ 7824' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 3)WHP 366 PSI, BRK 1988 PSI @ 4.8 BPM. ISIP 1118 PSI, FG .58.</p> <p>CALC PERFS OPEN @ 57.4 BPM @ 3940 PSI = 100% HOLES OPEN. (24/24 HOLES OPEN)</p> <p>ISIP 2314 PSI, FG .74, NPI 1196 PSI.</p> <p>MP 6293 PSI, MR 58.4 BPM, AP 4192 PSI, AR 57.8 BPM,</p> <p>PUMPED 30/50 OWATTA SAND. SWIFN.</p>

**US ROCKIES REGION**  
**Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig Name No: SWABBCO 6/6, SWABBCO 1/1

Event: COMPLETION

Start Date: 5/1/2012

End Date: 5/2/2012

Active Datum: RKB @5,138.00usft (above Mean Sea Level)

UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
4/24/2012	11:30 - 18:00	6.50	COMP	36	B	P		<p>PERF STG 4)PU 4 1/2 8K HAL CBP &amp; 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 120 DEG PHASING. RIH SET CBP @ 7694' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 4)WHP 923 PSI, BRK 2427 PSI @ 5.1 BPM. ISIP 1088 PSI, FG .58. CALC PERFS OPEN @ 57.1 BPM @ 5665 PSI = 71% HOLES OPEN. (24 HOLES OPEN) ISIP 2288 PSI, FG .74, NPI 1200 PSI. MP 6212 PSI, MR 58.2 BPM, AP 5244 PSI, AR 56.1 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 5)PU 4 1/2 8K HAL CBP &amp; 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 &amp; 120 DEG PHASING. RIH SET CBP @ 7498' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 5)WHP 188 PSI, BRK 2717 PSI @ 4.8 BPM. ISIP 1316 PSI, FG .62. CALC PERFS OPEN @ 57.7 BPM @ 3903 PSI = 100% HOLES OPEN. (24/24 HOLES OPEN) ISIP 2114 PSI, FG .73, NPI 798 PSI. MP 4277 PSI, MR 58.6 BPM, AP 3723 PSI, AR 58.1 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 6)PU 4 1/2 8K HAL CBP &amp; 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 120 DEG PHASING. RIH SET CBP @ 7220' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p>

**US ROCKIES REGION**  
**Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig Name No: SWABBCO 6/6, SWABBCO 1/1

Event: COMPLETION

Start Date: 5/1/2012

End Date: 5/2/2012

Active Datum: RKB @5,138.00usft (above Mean Sea Level)

UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
4/25/2012	8:00 - 18:00	10.00	COMP	36	B	P		<p>FRAC STG 6)WHP 1176 PSI, BRK 4523 PSI @ 5.2 BPM. ISIP 1536 PSI, FG .65. CALC PERFS OPEN @ 58.3 BPM @ 4303 PSI = 100% HOLES OPEN. (24/24 HOLES OPEN) ISIP 2469 PSI, FG .79, NPI 933 PSI. MP 5464 PSI, MR 58.6 BPM, AP 4359 PSI, AR 58.2 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 7)PU 4 1/2 8K HAL CBP &amp; 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH SET CBP @ 6964' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 7)WHP 1006 PSI, BRK 3593 PSI @ 5.1 BPM. ISIP 1407 PSI, FG .64. CALC PERFS OPEN @ 57.7 BPM @ 4612 PSI = 91% HOLES OPEN. (22/24 HOLES OPEN) ISIP 2250 PSI, FG .77, NPI 843 PSI. MP 4825 PSI, MR 58.5 BPM, AP 4302 PSI, AR 58 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 8)PU 4 1/2 8K HAL CBP &amp; 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 DEG PHASING. RIH SET CBP @ 5765' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 8) WHP 177 PSI, BRK 1290 PSI @ 6.9 BPM. ISIP 889 PSI, FG .59. CALC PERFS OPEN @ 58 BPM @ 3037 PSI = 100% HOLES OPEN. (24/24 HOLES OPEN) ISIP 1458 PSI, FG .69, NPI 569 PSI. MP 3316 PSI, MR 58.7 BPM, AP 3167 PSI, AR 58.3 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PERF STG 9) PU 4 1/2 8K HAL CBP &amp; 3 1/8 EXP GUN, 23 GM, .36 HOLE SIZE. 90 &amp; 120 DEG PHASING. RIH SET CBP @ 5602' P/U PERF AS PER DESIGN. POOH, X-OVER FOR FRAC CREW.</p> <p>FRAC STG 9) WHP 384 PSI, BRK 2266 PSI @ 4.9 BPM. ISIP 2012 PSI, FG .66. CALC PERFS OPEN @ 56.1 BPM @ 3890 PSI = 94% HOLES OPEN. (23/24 HOLES OPEN) ISIP 1639 PSI, FG .74, NPI 417 PSI. MP 4762 PSI, MR 56.6 BPM, AP 3928 PSI, AR 56.1 BPM, PUMPED 30/50 OWATTA SAND. SWI, X-OVER FOR WL.</p> <p>PU 4 1/2 8K HAL CBP. RIH SET KILL PLUG @ 5349'.</p>

**US ROCKIES REGION**  
**Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig Name No: SWABBCO 6/6, SWABBCO 1/1

Event: COMPLETION

Start Date: 5/1/2012

End Date: 5/2/2012

Active Datum: RKB @5,138.00usft (above Mean Sea Level)

UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
								POOH. SWI. DONE FRACING THIS WELL.
								TOTAL SAND = 189,995 LBS.
								TOTAL CLFL = 8031 BBLS
5/1/2012	12:00 - 17:00	5.00	COMP	30		P		RU RIG PU 3-7/8" BIT & POBS ASSM TALLY & PU
								TUBING RIH TAG KILL PLUG @ 5344' PREP TO
								DRILL PLUGS EOT @ 5330' SIW SDFN
5/2/2012	7:00 - 7:15	0.25	COMP	48		P		JSA= PRESS TESTING

**US ROCKIES REGION**  
**Operation Summary Report**

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Spud Date: 1/1/2012

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Rig Name No: SWABBCO 6/6, SWABBCO 1/1

Event: COMPLETION

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UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
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7:15 - 17:00

9.75

COMP

30

P

EOT @ 5330' EST CIRC TEST BOPS TO 3000# DRILL THRU KILL PLUG

PLUG #1] DRILL THRU HALLI 8K CBP @ 5344' IN 6 MIN W/ 0 INCREASE

PLUG #2] CONTINUE TO RIH TAG SAND @ 5586' (20' FILL) C/O & DRILL THRU HALLI 8K CBP @ 5606' IN 6 MIN W/ 0 INCREASE

PLUG #3] CONTINUE TO RIH TAG SAND @ 5735' (20' FILL) C/O & DRILL THRU HALLI 8K CBP @ 5765' IN 7 MIN W/ 30# INCREASE

PLUG #4] CONTINUE TO RIH TAG SAND @ 6944' (20' FILL) C/O & DRILL THRU HALLI 8K CBP @ 6964' IN 8 MIN W/ 50# INCREASE

PLUG #5] CONTINUE TO RIH TAG SAND @ 7195' (25' FILL) C/O & DRILL THRU HALLI 8K CBP @ 7220' IN 6 MIN W/ 100# INCREASE

PLUG #6] CONTINUE TO RIH TAG SAND @ 7466' (25' FILL) C/O & DRILL THRU HALLI 8K CBP @ 7491' IN 9 MIN W/ 0 INCREASE

PLUG #7] CONTINUE TO RIH TAG SAND @ 7648' (20' FILL) C/O & DRILL THRU HALLI 8K CBP @ 7688' IN 5 MIN W/ 100# INCREASE

PLUG #8] CONTINUE TO RIH TAG SAND @ 7796' (25' FILL) C/O & DRILL THRU HALLI 8K CBP @ 7821' IN 7 MIN W/ 150# INCREASE

PLUG #9] CONTINUE TO RIH TAG SAND @ 8117' (15' FILL) C/O & DRILL THRU HALLI 8K CBP @ 8132' IN 5 MIN W/ 50# INCREASE

PBTD] CONTINUE TO RIH TAG SAND @ 8454'(50' FILL) C/O TO PBTD @ 8506' CIRC CLEAN PUH LD 16 JNTS LAND TUBING ON HNGR W/252 JNTS EOT @ 8017.75' RD DRLG EQUIP RD FLOOR & TUBING EQUIP ND BOPS NU WELLHEAD DROP BALL PUMP OFF BIT @ 1500 PSI SIW NU & TEST FLOW LINE TURN WELL OVER TO FBC RD RIG MOVE TO 6F1AS RU RIG PREP TO RUN TUBING IN AM SDFN

**TUBING DETAIL**

K.B.....15.0'  
HANGER.....83'  
252 JNTS 2-3/8" L-80.....7999.72'  
POBS.....2.20'  
EOT.....8017.75'

TOTAL FLUID PUMPED= 5069 BBLS  
RIG REC= 2000 BBLS

**US ROCKIES REGION**  
**Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud Date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig Name No: SWABBCO 6/6, SWABBCO 1/1

Event: COMPLETION

Start Date: 5/1/2012

End Date: 5/2/2012

Active Datum: RKB @5,138.00usft (above Mean Sea Level)

UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
								LEFT TO REC= 3069 BBLS
	17:00 - 14:30		COMP	50				CTAP DEL= 283 JNTS RIG USED= 252 JNTS RETURNED=31 JNTS WELL TURNED TO SALES@ 14:30 HR ON 5/2/2012-947MCFD, 1680 BWPD, FCP 1666#, FTP 1500#, 20/64"
5/3/2012	7:00 -			50				WELL IP'D ON 5/3/12 - 1318 MCFD, 0 BOPD, 0 BWPD, CP 1760#, FTP 1213#, CK 20/64, LP 94#, 24 HRS

## 1 General

### 1.1 Customer Information

Company	US ROCKIES REGION
Representative	
Address	

### 1.2 Well Information

Well	BONANZA 1023-6F1CS GREEN	Wellbore No.	OH
Well Name	BONANZA 1023-6F1CS	Common Name	BONANZA 1023-6F1CS
Project	UTAH-UINTAH	Site	BONANZA 1023-6F PAD
Vertical Section Azimuth	324.74 (°)	North Reference	True
Origin N/S		Origin E/W	
Spud Date	1/1/2012	UWI	SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/203 9/0/0
Active Datum	RKB @5,138.01ft (above Mean Sea Level)		

## 2 Survey Name

### 2.1 Survey Name: Survey #1

Survey Name	Survey #1	Company	SCIENTIFIC DRILLING INTL
Started	12/31/2011	Ended	
Tool Name	EM	Engineer	Anadarko Employee

#### 2.1.1 Tie On Point

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)
11.00	0.00	0.00	11.00	0.00	0.00

#### 2.1.2 Survey Stations

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Bulld (°/100ft)	Turn (°/100ft)	TFace (°)
12/31/2011	Tie On	11.00	0.00	0.00	11.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1/1/2012	NORMAL	188.00	0.20	246.56	188.00	-0.12	-0.28	0.06	0.11	0.11	0.00	246.56
	NORMAL	274.00	0.36	294.43	274.00	-0.07	-0.67	0.33	0.31	0.19	55.66	81.17
	NORMAL	355.00	1.63	324.68	354.99	0.97	-1.56	1.70	1.64	1.57	37.35	38.08
	NORMAL	445.00	2.53	335.99	444.93	3.83	-3.11	4.93	1.09	1.00	12.57	30.24
	NORMAL	535.00	3.25	317.79	534.81	7.54	-5.64	9.41	1.29	0.80	-20.22	-61.20
	NORMAL	625.00	4.28	320.43	624.62	12.02	-9.49	15.29	1.16	1.14	2.93	10.87
	NORMAL	715.00	5.04	316.09	714.32	17.45	-14.37	22.55	0.93	0.84	-4.82	-27.06
	NORMAL	805.00	5.47	326.21	803.94	23.87	-19.50	30.74	1.13	0.48	11.24	70.21
	NORMAL	895.00	5.56	322.88	893.53	30.91	-24.51	39.39	0.37	0.10	-3.70	-75.95
	NORMAL	985.00	5.29	328.29	983.13	37.91	-29.33	47.89	0.64	-0.30	6.01	120.50
	NORMAL	1,075.00	5.08	327.05	1,072.76	44.79	-33.67	56.01	0.26	-0.23	-1.38	-152.53
	NORMAL	1,165.00	5.02	325.11	1,162.41	51.36	-38.09	63.93	0.20	-0.07	-2.16	-110.32
	NORMAL	1,255.00	4.98	330.99	1,252.07	58.01	-42.24	71.75	0.57	-0.04	6.53	97.39
	NORMAL	1,345.00	4.82	330.04	1,341.74	64.70	-46.02	79.40	0.20	-0.18	-1.06	-153.58
	NORMAL	1,435.00	4.79	328.41	1,431.42	71.18	-49.88	86.91	0.16	-0.03	-1.81	-103.20
	NORMAL	1,525.00	4.60	328.03	1,521.12	77.44	-53.76	94.27	0.21	-0.21	-0.42	-170.89
	NORMAL	1,615.00	4.78	340.52	1,610.82	84.04	-56.92	101.48	1.15	0.20	13.88	86.27
	NORMAL	1,705.00	4.93	329.08	1,700.50	90.89	-60.16	108.94	1.09	0.17	-12.71	-86.92

2.1.2 Survey Stations (Continued)

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
1/2/2012	NORMAL	1,795.00	4.44	317.88	1,790.20	96.79	-64.48	116.26	1.15	-0.54	-12.44	-123.68
	NORMAL	1,885.00	4.50	317.27	1,879.93	101.97	-69.21	123.22	0.09	0.07	-0.68	-38.70
	NORMAL	1,975.00	4.13	315.31	1,969.67	106.87	-73.89	129.92	0.44	-0.41	-2.18	-159.24
	NORMAL	2,095.00	4.70	320.92	2,089.32	113.75	-80.03	139.08	0.60	0.47	4.67	39.97
	NORMAL	2,155.00	5.21	325.22	2,149.09	117.90	-83.13	144.26	1.05	0.85	7.17	38.22
	NORMAL	2,245.00	4.98	325.08	2,238.74	124.46	-87.70	152.25	0.26	-0.26	-0.16	-176.98
	NORMAL	2,305.00	5.09	327.45	2,298.51	128.84	-90.62	157.52	0.39	0.18	3.95	63.31

2.2 Survey Name: PRODUCTION

Survey Name	PRODUCTION	Company	NATIVE NAVIGATION
Started	2/27/2012	Ended	
Tool Name	EM	Engineer	Anadarko Employee

2.2.1 Tie On Point

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)
2,305.00	5.09	327.45	2,298.51	128.84	-90.62

2.2.2 Survey Stations

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
2/27/2012	Tie On	2,305.00	5.09	327.45	2,298.51	128.84	-90.62	157.52	0.00	0.00	0.00	0.00
2/27/2012	NORMAL	2,356.00	5.41	330.26	2,349.29	132.83	-93.03	162.17	0.80	0.63	5.51	40.19
	NORMAL	2,447.00	4.44	320.59	2,439.96	139.28	-97.40	169.95	1.40	-1.07	-10.63	-144.19
	NORMAL	2,538.01	3.16	308.72	2,530.76	143.57	-101.59	175.88	1.64	-1.41	-13.04	-154.26
	NORMAL	2,629.01	2.37	293.86	2,621.65	145.90	-105.27	179.90	1.17	-0.87	-16.33	-145.04
	NORMAL	2,719.01	2.33	278.05	2,711.58	146.91	-108.78	182.75	0.72	-0.04	-17.57	-101.41
	NORMAL	2,810.01	2.33	267.06	2,802.50	147.07	-112.46	185.01	0.49	0.00	-12.08	-95.49
	NORMAL	2,901.01	1.80	260.91	2,893.44	146.75	-115.72	186.63	0.63	-0.58	-6.76	-160.36
	NORMAL	2,992.01	1.71	254.85	2,984.40	146.17	-118.44	187.73	0.23	-0.10	-6.66	-118.88
	NORMAL	3,082.01	1.58	227.74	3,074.36	144.99	-120.65	188.04	0.87	-0.14	-30.12	-112.86
	NORMAL	3,173.01	1.71	162.30	3,165.33	142.85	-121.17	186.59	1.96	0.14	-71.91	-119.19
	NORMAL	3,264.01	2.55	136.46	3,256.27	140.09	-119.36	183.29	1.38	0.92	-28.40	-62.22
	NORMAL	3,354.01	2.29	136.99	3,346.19	137.32	-116.76	179.53	0.29	-0.29	0.59	175.35
	NORMAL	3,445.01	2.20	121.16	3,437.12	135.09	-114.02	176.13	0.69	-0.10	-17.40	-106.12
2/28/2012	NORMAL	3,536.01	1.36	43.91	3,528.09	134.96	-111.78	174.73	2.55	-0.92	-84.89	-145.07
	NORMAL	3,627.01	0.66	41.89	3,619.08	136.13	-110.68	175.05	0.77	-0.77	-2.22	-178.10
	NORMAL	3,717.01	0.75	109.39	3,709.07	136.32	-109.78	174.68	0.87	0.10	75.00	118.29
	NORMAL	3,808.01	0.62	136.99	3,800.06	135.76	-108.88	173.71	0.38	-0.14	30.33	124.92
	NORMAL	3,899.01	0.88	176.27	3,891.06	134.71	-108.50	172.63	0.62	0.29	43.16	83.73
	NORMAL	3,990.01	1.45	174.87	3,982.04	132.86	-108.35	171.04	0.63	0.63	-1.54	-3.56
	NORMAL	4,081.01	1.67	124.15	4,073.01	130.97	-107.15	168.80	1.48	0.24	-55.74	-106.89
	NORMAL	4,171.01	1.63	127.14	4,162.97	129.46	-105.04	166.35	0.11	-0.04	3.32	116.41
	NORMAL	4,262.01	1.36	100.95	4,253.94	128.47	-102.95	164.34	0.80	-0.30	-28.78	-124.31
	NORMAL	4,353.01	1.36	109.21	4,344.92	127.91	-100.87	162.68	0.22	0.00	9.08	94.13
	NORMAL	4,444.01	1.32	116.42	4,435.89	127.09	-98.91	160.88	0.19	-0.04	7.92	106.93
	NORMAL	4,534.01	0.31	32.48	4,525.88	126.84	-97.85	160.06	1.47	-1.12	-93.27	-166.53
	NORMAL	4,625.01	0.31	9.63	4,616.88	127.29	-97.68	160.33	0.13	0.00	-25.11	-101.42
	NORMAL	4,716.01	0.26	113.96	4,707.88	127.45	-97.45	160.32	0.50	-0.05	114.65	146.06
	NORMAL	4,807.01	0.30	64.65	4,798.88	127.46	-97.05	160.10	0.26	0.04	-54.19	-105.81
	NORMAL	4,897.01	0.44	177.33	4,888.88	127.22	-96.82	159.77	0.69	0.16	125.20	139.16
	NORMAL	4,988.01	0.70	153.77	4,979.88	126.37	-96.56	158.93	0.38	0.29	-25.89	-54.22
	NORMAL	5,079.01	0.92	152.72	5,070.87	125.22	-95.98	157.66	0.24	0.24	-1.15	-4.38

## 2.2.2 Survey Stations (Continued)

Date	Type	MD (ft)	Inc (°)	Azi (°)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
2/28/2012	NORMAL	5,169.01	0.92	158.17	5,160.86	123.91	-95.38	156.24	0.10	0.00	6.06	92.72
	NORMAL	5,260.01	1.23	75.39	5,251.84	123.48	-94.16	155.18	1.58	0.34	-90.97	-122.09
	NORMAL	5,351.01	1.36	165.90	5,342.83	122.68	-92.95	153.83	2.02	0.14	99.46	132.40
	NORMAL	5,442.01	1.23	169.07	5,433.81	120.67	-92.50	151.93	0.16	-0.14	3.48	152.72
	NORMAL	5,532.01	1.67	148.32	5,523.78	118.61	-91.63	149.75	0.75	0.49	-23.06	-60.72
	NORMAL	5,623.01	1.36	144.02	5,614.75	116.61	-90.30	147.34	0.36	-0.34	-4.73	-162.00
	NORMAL	5,714.01	0.97	85.57	5,705.73	115.79	-88.90	145.87	1.30	-0.43	-64.23	-135.88
	NORMAL	5,804.01	2.29	28.26	5,795.70	117.43	-87.29	146.28	2.16	1.47	-63.68	-82.11
	NORMAL	5,895.01	3.65	10.07	5,886.57	121.89	-85.92	149.13	1.80	1.49	-19.99	-44.03
	NORMAL	5,986.01	3.08	12.71	5,977.42	127.12	-84.87	152.80	0.65	-0.63	2.90	166.11
	NORMAL	6,077.01	2.55	14.73	6,068.31	131.47	-83.82	155.74	0.59	-0.58	2.22	170.41
2/29/2012	NORMAL	6,167.01	2.86	5.94	6,158.21	135.64	-83.08	158.71	0.57	0.34	-9.77	-57.67
	NORMAL	6,258.01	3.30	348.45	6,249.08	140.46	-83.37	162.82	1.13	0.48	-19.22	-73.81
	NORMAL	6,349.01	2.72	338.96	6,339.95	145.04	-84.67	167.31	0.84	-0.64	-10.43	-144.01
	NORMAL	6,440.01	2.20	348.27	6,430.87	148.77	-85.80	171.01	0.72	-0.57	10.23	147.05
	NORMAL	6,530.01	1.85	335.09	6,520.81	151.78	-86.76	174.02	0.64	-0.39	-14.64	-133.39
	NORMAL	6,620.01	1.41	336.67	6,610.78	154.11	-87.81	176.53	0.49	-0.49	1.76	174.96
	NORMAL	6,711.01	0.53	3.30	6,701.76	155.56	-88.23	177.96	1.06	-0.97	29.26	165.76
	NORMAL	6,802.01	0.97	128.99	6,792.76	155.49	-87.61	177.54	1.48	0.48	138.12	144.29
	NORMAL	6,893.01	1.19	156.58	6,883.74	154.14	-86.64	175.88	0.61	0.24	30.32	81.26
	NORMAL	6,984.01	1.89	156.32	6,974.71	151.90	-85.66	173.48	0.77	0.77	-0.29	-0.70
	NORMAL	7,074.01	1.97	150.25	7,064.66	149.20	-84.29	170.49	0.24	0.09	-6.74	-71.68
	NORMAL	7,165.01	2.77	141.29	7,155.58	146.13	-82.14	166.74	0.97	0.88	-9.85	-29.37
	NORMAL	7,256.01	2.11	128.11	7,246.50	143.38	-79.45	162.94	0.95	-0.73	-14.48	-146.09
	NORMAL	7,346.01	0.53	48.92	7,336.48	142.63	-77.83	161.39	2.31	-1.76	-87.99	-165.48
	NORMAL	7,437.02	1.98	15.70	7,427.45	144.42	-77.09	162.42	1.72	1.59	-36.51	-43.92
	NORMAL	7,528.02	2.29	1.63	7,518.39	147.75	-76.61	164.87	0.67	0.34	-15.46	-66.56
	NORMAL	7,619.02	1.80	2.51	7,609.33	150.99	-76.50	167.45	0.54	-0.54	0.97	176.77
	NORMAL	7,709.02	1.63	334.83	7,699.30	153.56	-76.98	169.83	0.93	-0.19	-30.76	-115.21
	NORMAL	7,800.02	2.68	268.47	7,790.24	154.68	-79.66	172.29	2.77	1.15	-72.92	-102.72
	NORMAL	7,891.02	3.30	248.43	7,881.12	153.66	-84.22	174.09	1.33	0.68	-22.02	-69.59
	NORMAL	7,982.02	2.72	238.59	7,972.00	151.57	-88.50	174.85	0.85	-0.64	-10.81	-143.15
	NORMAL	8,073.02	1.89	223.12	8,062.92	149.35	-91.37	174.70	1.13	-0.91	-17.00	-150.70
	NORMAL	8,163.02	2.29	217.58	8,152.86	146.84	-93.48	173.87	0.50	0.44	-6.16	-29.58
3/1/2012	NORMAL	8,254.02	2.07	201.67	8,243.80	143.87	-95.19	172.43	0.70	-0.24	-17.48	-117.81
	NORMAL	8,345.02	2.37	196.75	8,334.73	140.54	-96.34	170.38	0.39	0.33	-5.41	-34.90
	NORMAL	8,510.02	2.81	178.65	8,499.56	133.23	-97.23	164.92	0.56	0.27	-10.97	-70.96
	NORMAL	8,560.02	2.81	178.65	8,549.50	130.78	-97.17	162.89	0.00	0.00	0.00	0.00

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

**ENTITY ACTION FORM**

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995  
 Address: P.O. Box 173779  
city DENVER  
state CO zip 80217 Phone Number: (720) 929-6304

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Various	Ponderosa Wells						UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
	18421	18519				5/1/2012	
<b>Comments:</b> Move the attached wells into the Ponderosa unit. All wells are WSMVD.						11/16/2012	

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<b>Comments:</b>							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<b>Comments:</b>							

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

JAIME SCHARNOWSKE

Name (Please Print)

*Jaime Scharnowske*

Signature

REGULATORY ANALYST

11/8/2012

Title

Date

**RECEIVED**

**NOV 08 2012**

Well Name	Quarter/Quarter	Section	Township	Range	APUI Number	County	New Entity Number	Formation
BONANZA 1023-6J2AS	NESW	6	10S	23E	4304751465	Uintah	18519	WSMVD
BONANZA 1023-6K1CS	NESW	6	10S	23E	4304751466	Uintah	18519	WSMVD
BONANZA 1023-6K2BS	NESW	6	10S	23E	4304751467	Uintah	18519	WSMVD
BONANZA 1023-6K2CS	NESW	6	10S	23E	4304751468	Uintah	18519	WSMVD
BONANZA 1023-6L2AS	NESW	6	10S	23E	4304751469	Uintah	18519	WSMVD
BONANZA 1023-6L2DS	NESW	6	10S	23E	4304751470	Uintah	18519	WSMVD
BONANZA 1023-6O1BS	SWSE	6	10S	23E	4304751473	Uintah	18519	WSMVD
BONANZA 1023-6O2DS	SWSE	6	10S	23E	4304751474	Uintah	18519	WSMVD
BONANZA 1023-6O3AS	SWSE	6	10S	23E	4304751475	Uintah	18519	WSMVD
BONANZA 1023-6P2BS	SWSE	6	10S	23E	4304751476	Uintah	18519	WSMVD
BONANZA 1023-6P3CS	SWSE	6	10S	23E	4304751478	Uintah	18519	WSMVD
BONANZA 1023-5J2DS	NESW	5	10S	23E	4304752063	Uintah	18519	WSMVD
BONANZA 1023-5K1BS	NESW	5	10S	23E	4304752064	Uintah	18519	WSMVD
BONANZA 1023-5K1CS	NESW	5	10S	23E	4304752065	Uintah	18519	WSMVD
BONANZA 1023-5K3DS	NESW	5	10S	23E	4304752066	Uintah	18519	WSMVD
BONANZA 1023-5L1DS	NESW	5	10S	23E	4304752067	Uintah	18519	WSMVD
BONANZA 1023-5L4AS	NESW	5	10S	23E	4304752068	Uintah	18519	WSMVD
BONANZA 1023-5L4DS	NESW	5	10S	23E	4304752069	Uintah	18519	WSMVD
BONANZA 1023-5O2AS	NESW	5	10S	23E	4304752070	Uintah	18519	WSMVD
BONANZA 1023-5E3BS	SWNW	5	10S	23E	4304752071	Uintah	18519	WSMVD
BONANZA 1023-5E3CS	SWNW	5	10S	23E	4304752072	Uintah	18519	WSMVD
BONANZA 1023-5L1AS	SWNW	5	10S	23E	4304752073	Uintah	18519	WSMVD
BONANZA 1023-5L3BS	SWNW	5	10S	23E	4304752074	Uintah	18519	WSMVD
BONANZA 1023-5M1AS	SWSW	5	10S	23E	4304752075	Uintah	18519	WSMVD
BONANZA 1023-5M1CS	SWSW	5	10S	23E	4304752076	Uintah	18519	WSMVD
BONANZA 1023-5M3BS	SWSW	5	10S	23E	4304752077	Uintah	18519	WSMVD
BONANZA 1023-5M3CS	SWSW	5	10S	23E	4304752078	Uintah	18519	WSMVD
BONANZA 1023-5N3CS	SWSW	5	10S	23E	4304752079	Uintah	18519	WSMVD
BONANZA 1023-5O4BS	SESE	5	10S	23E	4304752082	Uintah	18519	WSMVD
BONANZA 1023-5P1AS	SESE	5	10S	23E	4304752083	Uintah	18519	WSMVD
BONANZA 1023-5P1CS	SESE	5	10S	23E	4304752084	Uintah	18519	WSMVD
BONANZA 1023-5P4CS	SESE	5	10S	23E	4304752085	Uintah	18519	WSMVD
BONANZA 1023-5C4AS	NENW	5	10S	23E	4304752089	Uintah	18519	WSMVD
BONANZA 1023-5F2CS	NENW	5	10S	23E	4304752090	Uintah	18519	WSMVD
BONANZA 1023-5F3AS	NENW	5	10S	23E	4304752091	Uintah	18519	WSMVD
BONANZA 1023-5C2CS	NWNW	5	10S	23E	4304752092	Uintah	18519	WSMVD
BONANZA 1023-5D2DS	NWNW	5	10S	23E	4304752093	Uintah	18519	WSMVD
BONANZA 1023-5D3AS	NWNW	5	10S	23E	4304752094	Uintah	18519	WSMVD
BONANZA 1023-5E2AS	NWNW	5	10S	23E	4304752095	Uintah	18519	WSMVD
BONANZA 1023-6A1CS	NWNW	5	10S	23E	4304752096	Uintah	18519	WSMVD
BONANZA 1023-6I3AS	SWNW	5	10S	23E	4304752387	Uintah	18519	WSMVD
BONANZA 11-2	SWNW	11	10S	23E	4304734773	Uintah	18519	WSMVD
BONANZA 1023-6E4AS	SENE	6	10S	23E	4304751453	Uintah	18519	WSMVD
BONANZA 1023-6F1AS	SENE	6	10S	23E	4304751454	Uintah	18519	WSMVD
BONANZA 1023-6F1CS	SENE	6	10S	23E	4304751455	Uintah	18519	WSMVD
BONANZA 1023-6F4CS	SENE	6	10S	23E	4304751456	Uintah	18519	WSMVD
BONANZA 1023-6G2AS	SENE	6	10S	23E	4304751457	Uintah	18519	WSMVD
BONANZA 1023-6G4CS	SENE	6	10S	23E	4304751458	Uintah	18519	WSMVD
BONANZA 1023-6A3DS	SENE	6	10S	23E	4304751459	Uintah	18519	WSMVD
BONANZA 1023-6G1DS	SENE	6	10S	23E	4304751460	Uintah	18519	WSMVD
BONANZA 1023-6H1BS	SENE	6	10S	23E	4304751461	Uintah	18519	WSMVD
BONANZA 1023-6H2CS	SENE	6	10S	23E	4304751462	Uintah	18519	WSMVD
BONANZA 1023-6I2AS	SENE	6	10S	23E	4304751463	Uintah	18519	WSMVD
BONANZA 1023-6I3DS	SWSE	6	10S	23E	4304751471	Uintah	18519	WSMVD
BONANZA 1023-6J4AS	SWSE	6	10S	23E	4304751472	Uintah	18519	WSMVD
BONANZA 1023-6P3AS	SWSE	6	10S	23E	4304751477	Uintah	18519	WSMVD

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU38419	
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	
<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>	
<b>7. UNIT or CA AGREEMENT NAME:</b> PONDEROSA	
<b>8. WELL NAME and NUMBER:</b> BONANZA 1023-6F1CS	
<b>9. API NUMBER:</b> 43047514550000	
<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES	
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779 <span style="float: right;"><b>PHONE NUMBER:</b> 720 929-6456</span>	
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 1888 FNL 2039 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENW Section: 06 Township: 10.0S Range: 23.0E Meridian: S	
<b>COUNTY:</b> UINTAH	
<b>STATE:</b> UTAH	

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 5/23/2016	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input type="text" value="WORKOVER"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

A WELLBORE CLEANOUT HAS BEEN COMPLETED ON THE BONANZA 1023-6F1CS WELL. PLEASE SEE THE ATTACHED OPERATIONS SUMMARY REPORT FOR DETAILS.

**Accepted by the**  
**Utah Division of**  
**Oil, Gas and Mining**  
**FOR RECORD ONLY**  
 May 27, 2016

<b>NAME (PLEASE PRINT)</b> Jennifer Thomas	<b>PHONE NUMBER</b> 720 929-6808	<b>TITLE</b> Regulatory Specialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 5/26/2016	

**US ROCKIES REGION  
Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN		Spud date: 1/1/2012	
Project: UTAH-UINTAH		Site: BONANZA 1023-6F PAD	Rig name no.: ROCKY MOUNTAIN WELL SERVICE 3/3
Event: WELL WORK EXPENSE		Start date: 5/17/2016	End date: 5/23/2016
Active datum: RKB @5,138.00usft (above Mean Sea Level)		UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0	

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD from (usft)	Operation
5/9/2016	7:00 - 12:00	5.00	MAINT	35		P		WELL NAME: Bonanza 1023 6f 1cs Job Code: 80012176 WINS #: ZID: 0 FOREMAN: Drop Down Menu MECHANICAL: Craig Massey SLICKLINE COMPANY Jdm SLICKLINE OPERATOR Bj Troendle TEL.NUMBER: 435-828-0596 DATE: 5/9/2016 Ex. mm/dd/yy  rih w jdc tool 8017 pooh w pcs cleanout 1.86, rih w jdc tool 8017 pooh w pcs twister 1.89, rih w jdc tool 8017 latched jarred 30 mins sheared off, rebuilt jars and jdc rih w jdc 8017 latched and jarred 20 mins pooh w pcs auto dump standing valve, rih w scratcher 8516, rts no ple in hole cp 674 tp 684  FLUID LEVEL 5600 SEAT NIPPLE DEPTH 8017 SN TYPE x TD (Max Depth) 8516
5/17/2016	12:00 - 17:00	5.00	MAINT	30	A	P		ROAD RIG F/ BON 1023-7M2AS. MIRU RIG & SPOT RIG EQUIP. FWP = 77 PSI. BLW WELL DWN. PUMP 10 BBLS DWN TBG & CSG. ND WH. UNLAND TBG ( TBG STUCK ). INSTALL TBG SUB UNDER HNGR. RELAND TBG. NU BOP. RU RIG FLOOR & TBG EQUIP. UNLAND TBG. LD TBG HNGR. WORK PIPE F/ 0 - 60K. PIPE CAME FREE. PREP T/ SCAN TBG IN THE :AM. HSM, JSA
5/18/2016	6:45 - 7:00	0.25	MAINT	48		P		SICP = 150 PSI. BLW WELL DWN. PUMP 10 BBLS DWN TBG. MIRU SCAN TECH. SCAN TTL OF 252 JTS 2 3/8 L-80. 54 YB, 13 BB, 185 RB. LIGHT OD SCALE F/ 2380' - 4062', MED OD SCALE F/ 4062' - 6982', HEAVY OD SCALE F/ 6982' - 8018' EOT. HEAVY WALL LOSS STARTED @ 2285' - 8018' EOT. NO ID SCALE FOUND. RDMO SCAN TECH.
	7:00 - 12:00	5.00	MAINT	45	A	P		
	12:00 - 17:00	5.00	MAINT	31	I	P		PREP & TALLY 2 3/8 TBG. PU 3 7/8 MILL, BIT SUB, XN. RIH W/ 221 JTS TBG. EOT @ 7024'. SWIFN.
5/19/2016	6:45 - 7:00	0.25	MAINT			P		HSM, JSA

US ROCKIES REGION  
**Operation Summary Report**

Well: BONANZA 1023-6F1CS GREEN

Spud date: 1/1/2012

Project: UTAH-UINTAH

Site: BONANZA 1023-6F PAD

Rig name no.: ROCKY MOUNTAIN WELL SERVICE  
3/3

Event: WELL WORK EXPENSE

Start date: 5/17/2016

End date: 5/23/2016

Active datum: RKB @5,138.00usft (above Mean Sea Level)

UWI: SE/NW/0/10/S/23/E/6/0/0/26/PM/N/1888/W/0/2039/0/0

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD from (usft)	Operation
	7:00 - 8:00	1.00	MAINT	31	I	P		SICP = 650 PSI. BLW WELL DWN. PUMP 10 BBLS DWN TBG. CONT PU & RIH W/ TBG T/ 8054'.
	8:00 - 13:30	5.50	MAINT	44	D	P		RU DRL EQUIP. BRK CONV CIRC W/ FU (1hr 10min T/ GET RETURNS) CONT RIH T/ 8231', STARTED HITTING PATCH SCALE. MILL OUT PATCHY SCALE F/ 8231' - 8485', THIS IS 74' PASSED BTM PERF. (EASY MILLING). CIRC WELL CLEAN FOR 1hr. SHUT DWN FU, RD DRL EQUIP.
	13:30 - 17:00	3.50	MAINT	31	I	P		POOH LD 26 JTS EXCESS TBG. STD BCK 241 JTS TBG. LD 3 7/8 MILL, BIT SUB & XN. SWIFWE.
5/23/2016	6:45 - 7:00	0.25	MAINT	48	B	P		HSM/JSA
	7:00 - 10:00	3.00	MAINT	31	I	P		KILL WELL W/ 20 BBL WATER. RIH W/ 121 JTS PROD TBG (67 JTS L-80, 54 JTS P-110) & BROACH. RIH W/ REMAING 123 JTS P-110 PROD TBG & BROACH. EOT @ 7653'.
	10:00 - 11:00	1.00	MAINT	33	A	P		RD & NUWH. UNLOAD WELL W/ FU/N2 UNIT. PURGE WELL. SWI FOR PSI BUILD UP.